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AMERICAN NEWS

Former minister held as Cuban shake-up continues

By Tim Coone in Managua

THE shake-up in the Cuban political and military hierarchy following the trial of several leading figures on drug trafficking charges has claimed another top name.

General José Abrantes Fernández was forced to resign as Interior Minister on June 29 and according to Radio Havana, has now been detained along with three other senior Interior Ministry (Minint) officials "on evidence of transgressions and violations of the law" which have come to light in the wake of the scandal for which four senior officers from the army and ministry were executed last month.

The other arrested officers are Gen Roberto González, the former head of immigration; Oscar Tajóni, the former head of customs; and Lt Col Rolando Castañeda, whose post was not specified.

Another man who was arrested, Mr Oscar Parvenir, headed an organisation "very closely linked to the Interior Ministry", which was authorised to deal in foreign exchange. The Cuban Central Bank is normally the only organisation allowed to handle foreign exchange in Cuba, apart from Cubanacan, the body charged with developing Cuba's tourist potential.

In addition five other generals from the ministry have been demoted to colonel and forcibly retired.

As a result of the purge over the past month the Interior Ministry has lost almost all its senior officers and officials, raising speculation that there is more than just the drugs scandal behind the shake-up.

During the summing-up of evidence in the court martial of Gen Arnaldo Ochoa and the three other officers who were

executed, President Fidel Castro noted that the ministry had made arms purchases. This had to stop, he said, "because one of the serious problems which was taking place in the Interior Ministry was the attempt to put it on a par with the armed forces; but it has other tasks, other missions and other functions."

President Castro said the executed Minint officials and Gen Ochoa "were creating a system of relations, of friendships; they were corrupting and, in my opinion, neutralising" people with presents ranging from colour TVs to yachts.

In effect, the purge and restructuring of the ministry will mean that its police and state security apparatus will now pass to the armed forces, which are under the control of General Raúl Castro, President Castro's brother and hand-picked successor.

Heavy Chilean vote for reform

By Barbara Durr in Santiago

CHILEAN voters have overwhelmingly approved 54 reforms to the country's 1980 constitution. With nearly 95 per cent of the votes counted from a national plebiscite on Sunday, 85.7 per cent voted in favour, and only 8.2 per cent against.

The reforms were widely expected to be adopted. They had been agreed by the military regime, the 17-party opposition coalition and the most important right-wing party. Only the Communist Party, a small faction of socialists and a minor regional party had urged rejection of the reforms.

The changes in the constitution include increasing the number of directly elected members of the Senate, thus making it a more genuinely democratic body; curbing the powers of the National Security Council; abolishing Article 8, which outlawed all Marxist



General Pinochet votes in the plebiscite

groups; shortening the next presidential period to four years from eight; and easing the process for future amendments of the charter.

The last item was considered by opposition leaders the most important, given that the current slate of amendments fell short of what they had wanted.

Mr Patricio Aylwin, the opposition's presidential candidate, called the plebiscite "an important step forward" for the return to full democracy in Chile. The country's military leader, Gen Augusto Pinochet, in a brief televised address on Sunday night, said the plebiscite results ratified once again

the constitution designed by the military in 1980.

Gen Pinochet, who reluctantly agreed to the reforms, believes the 1980 charter is his regime's greatest legacy. It was only under the combined pressure from soft-liners within his government, the key right-wing party National Renovación and the opposition coalition that the general finally acceded to reform.

With the three main political forces - the military, the right and the opposition - in accord on at least part of its constitutional basis, the incoming democratic government is expected to enjoy greater stability.

Argentina taking soft line on rebels

By Gary Mead in Buenos Aires

ARGENTINE army rebels who carried out three armed insurrections against the civilian government of President Raúl Alfonsín will no longer face dismissal from the army, according to Mr Italo Luder, the Defence Minister.

Mr Luder said yesterday that "in a few days" President Carlos Menem (as commander in chief of the armed forces) would "cancel" all outstanding cases referring to the rebellions, now before military tribunals. The threat of expulsion from the army has thus been lifted from 432 rebels, ranging from the rank of colonel down.

Mr Luder explained that following the presidential ruling, army chief of staff General Isidro Caceres would be responsible for disciplinary action against the rebels, "without that meaning that those officers who participated [in the rebellions] having to lose their careers."

He said Gen Caceres would consider "case by case" what disciplinary action would be

taken. Mr Luder said there might be some "retirements" from the army but those would be at the request of officers themselves.

Contingents of Argentine commandos, with support from other units, have staged three rebellions since Easter 1987. They barricaded themselves inside regimental headquarters in protest against trials conducted by the Alfonsín government against officers accused of human rights abuses during the so-called "dirty war" of the 1970s, when more than 9,000 civilians disappeared.

Some 25 senior military officers, including former junta-appointed president Gen Jorge Videla (serving life imprisonment on human rights charges), are either imprisoned or awaiting trial for their part in the dirty war.

They are likely to benefit from a separate presidential amnesty which it is widely expected that President Menem is preparing to announce this month.

US drug use falls - except cocaine

OVERALL use of illicit drugs has dropped significantly in the US since 1985, but the number of heavy cocaine users has risen sharply, AP reports from Washington.

The 1988 National Household Survey on Drug Abuse found a decrease of 37 per cent in the number of people who said they had used illicit drugs in the previous month.

However, the survey found a 33 per cent increase in the number of people using

cocaine once a week or more, and a 19 per cent increase in the number of people using the drug daily or almost daily.

"Most use of most drugs by most Americans - overall drug use - is off sharply. But cocaine addiction has dramatically intensified," said Mr William J Bennett, director of federal drug control policy.

"Drug crime is up, drug trafficking is up, drug deaths are up, drug emergencies in our hospitals are up - all since

1985. And much of this can be explained in one word: crack." Crack is a potent, smokable form of cocaine.

According to the survey, the number of people who used marijuana, cocaine or any other illicit drug within the month before being surveyed dropped from 23m in 1985 to 14.5m in 1988.

Those who used an illicit drug within the previous year fell from 37m to 28m - a decline of almost 25 per cent.

Bush calls governors to education summit

By Peter Riddell, US Editor, in Washington

PRESIDENT George Bush yesterday invited the 50 state governors of the US to an education summit, only the third such meeting ever held, to discuss ways of improving America's schools record.

His invitation was issued at the National Governors' conference in Chicago. This was intended to be the start of a two-day trip which he cut short immediately after his speech to return to Washington following reports of the execution of Lt Col William Higgins in Lebanon.

Mr Bush said the governors' summit on education - called for an unspecified place on September 27 and 28 - was intended "to find ways to strengthen our schools, to enlarge opportunities and to improve our nation's educational performance".

Mr Bush's initiative is intended to fulfil the pledge he

Greenspan still hoping for 'soft landing'

By Anthony Harris in Washington

THE FEDERAL Reserve chairman, Mr Alan Greenspan, told a meeting of state governors on Sunday that he still expects a soft landing - a period of slow growth - rather than a recession in the US economy.

There are growing reports of tension between the Fed and the administration over the slow pace of monetary easing at present.

Mr Greenspan's remarks concentrated on real rather than monetary factors in the outlook. He said flat retail sales were due to higher personal saving, along with slow growth of real incomes; this could lead to a recession rather than a slowdown if businesses misjudged their prospects and found themselves with excessive inventories or over-ambitious investment plans.

Menem move to attract foreign currency

By Gary Mead

ARGENTINES will be able from today to open accounts in US currency in local banks. Both Argentine and locally-based branches of foreign institutions will be allowed to operate in the new market.

The government is also promising to introduce a law preventing future administrations from nationalising or freezing foreign currency accounts held in Argentina, a move seen as a necessary guarantee if people are to feel sufficiently confident to use the new accounts.

The new regulations are part of a drive by President Carlos Menem's government to attract foreign currency into the country, suffering from serious industrial recession and negative growth rates.

An estimated \$40bn is held by Argentines in overseas bank accounts and investments, capital which has flown from the country during its lengthy post-1984 instability. A further \$5bn is believed to be

in circulation in Argentina, neither earning interest nor invested in production, but used by Argentines as an easily convertible insurance against hard times and inflation now running at 200 per cent a month.

The account offers an attractive interest rate, set in relation to the London Interbank Offered Rate. This is likely to tempt depositors away from the only other foreign-currency interest-bearing deposits with easy access to Buenos Aires, in Montevideo in neighbouring Uruguay, where interest rates are just below 10 per cent. The minimum amount fixed for the new Argentine accounts - which are also open to foreign depositors - is \$1,000.

Mr Javier Gonzalez Fraga, president of the central bank, said yesterday a new bill would soon be presented to Congress, protecting foreign currency depositors from any move by the state to use the funds placed in the new accounts.

PRD in Michoacan poll protest

By Richard Johns in Mexico City

MEXICO'S Party of the Democratic Revolution (PRD) is to boycott the meeting of Michoacan's electoral commission scheduled for August 15, in protest at the controversial official outcome of the poll for the state legislature held on July 2.

The session will be held to decide the distribution of six of the parliament's 24 seats to be decided by proportional representation. At a big rally in the state capital of Morelia, Mr Cuauhtémoc Cárdenas, PRD

leader, said that to participate in the proceedings "would mean legitimising fraud and admitting the only way forward for the opposition is complicity" in it.

The PRD claims it won 14 of the 18 seats in the direct vote but according to official results announced by the electoral commission, which is dominated by the ruling Institutional Revolutionary Party (PRI), it was only awarded six.

Mr Cárdenas described the issue as "a decisive struggle"

in deciding that recognition of voting at the polling booths should bring about an end to an anti-democratic system.

● In a clear breach of the price freeze embraced by Mexico's Pact for Economic Stability and Growth (PECE), producers of tortillas, the most basic staple food of the country, raised prices at the weekend from 275 pesos (7p) to 400 pesos a kilo.

They claim they face bankruptcy because of the higher cost of maize dough.

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Ports strike flags as 1,000 dockers go back to work

Flying pickets fail to stop return to docks

By Charles Leadbeater, Labour Editor

MOST of Britain's dockers are back at work after the return of about 1,000 dockers at eight ports yesterday.

The National Association of Port Employers (Nape) said the returns, the largest in a single day since the strike began, meant 3,684 dockers were working normally, with 2,725 on strike.

About 9,220 dockers registered under the abolished National Dock Labour Scheme - which regulated employment and conditions at most British ports - began the strike on July 28. Some 2,812 of them have been made redundant or left the industry voluntarily.

The returns at the ports of Hull, Southampton, Fleetwood, Whitehaven, Leith, Greenock and two wharves on the Thames estuary, came as the Transport and General Workers' Union's campaign to revive the flagging strike claimed its first success.

About 60 dockers at Tilbury near London rejoined the strike, having returned to work last week with 490 colleagues. Their move follows the TGWU leadership's decision to focus the strike on the reinstatement of 16 union officials at Tilbury made redundant last week. The strike was called to win a

London Underground railway and the unions are to meet this morning in a fresh attempt to resolve the long-running dispute on the eve of the 14th 24-hour strike since April, writes Fiona Thompson.

The talks are expected to make some progress, but it is thought unlikely that enough headway will be made to prompt a cancellation of Wednesday's stoppage called by the National Union of Railwaysmen and Assistants, the train drivers' union.

Meanwhile, British Rail and the rail unions are to resume their talks on bargaining machinery at the conciliation service, Acas, this morning. The move follows last Thursday's decision by the NUR to accept BR's 2.8 per cent pay offer and suspend its series of 24-hour strikes.

A national agreement to replace the abolished scheme.

The TGWU said the men's decision was a reflection on the terms and conditions under which dockers are being asked to work, at Tilbury these have included the withdrawal of union recognition for collective bargaining.

The union's ruling general

executive council, its national docks committee and senior officials are today expected to draw up a programme of mass meetings at working ports, in an attempt to rally support for the strike. The TGWU leadership will resist calls for the strike to be called off to allow an orderly return to work.

However, about 90 dockers at Ipswich, in East Anglia, are to meet today to consider returning to work. They have remained on strike while details of a local agreement for the port have been drawn up.

The deal will remove demarcation lines between dockers and cargo handlers and various grades of drivers. Pay grades will be based on the acquisition of skills.

A similar deal was yesterday under discussion at the southern port of Southampton after the return of 450 dockers. Associated British Ports, one of the biggest port employers, is taking legal advice over largely ineffectual picketing by Liverpool dockers. But it said it would only consider legal action if the picketing seriously affected its business.

Forty-one of the 61 main ports originally covered by the abolished scheme, were back at work, including all 19 ABP ports.

THE MAN on the motor bike was beginning to waver. The Southampton dockers said he had never been so torn in his life as he wrestled with himself about whether to cross a picket line and abandon the national dock strike.

His audience were a section of the 60 or so dockers from the northern city of Liverpool who had gathered outside Southampton's port gates at 5am to try to persuade the city's port workers that the aims of the strike were still achievable.

The motorbike man dallied for about 10 minutes before reaching his decision. "If I do not go back in I would be the only bastard in Southampton to stay out," he said. "I am sorry, I have to go in."

It was one of the few times that the Liverpool dockers came close to success. Most of their Southampton colleagues - including union officials - drove through the picket lines without stopping. According to the Southampton port employers all of the city's 440 former registered dockers who have not applied for redundancy were back at work yesterday after their weekend vote to end the two-week strike.

The return to work yesterday in Southampton, Hull and several smaller ports will provide to lobby a meeting called to consider a return to work.

Yesterday's mission was potentially a more dangerous one, because of the legal implications of their action. According to the port employers, the Liverpool dockers were guilty of illegal secondary picketing, because they were not lobbying their immediate place of work.

Not so, said the dockers. "There is no way this is secondary picketing," said Mr Kevin Robinson, a dockers' spokesman who yesterday co-ordinated the picketing and liaised with police. "We are involved because this port will be handling cargoes diverted from Liverpool." His view was not put to the test, probably because the employers did not feel the need to challenge it. They were justifiably confident of a return to work and there was nothing to suggest Southampton dockers were being intimidated.

There were occasional taunts. "We are better footballers and better bloody men," shouted one Liverpool man, frustrated after seeing hundreds of dockers cross the picket line.

Generally, however, the mood was calm, with the Liverpool dockers chatting amiably with the police and the Southampton port workers. When the atmosphere became tense, Mr Robinson would step in with a megaphone to tell his men to "keep it simple" and

refrain from arguing.

Try as they might, however, the Liverpoolians could not hide their frustration and resentment towards the Southampton men. "I feel ashamed and disgusted that they have gone in," said one Merseyside dockers. "They are not only failing themselves, they are letting down people who have been sacked in Tilbury (east of London). In fact they are letting down every other trade unionist in Britain."

Undoubtedly the main reason for the return to work was a threat by Southampton employers to sack former registered dockers who did not end the strike by 8am yesterday morning. If that had been carried out, the dockers would have lost their entitlement to redundancy payments of up to £35,000.

Liverpool dockers expect similar threats from their employers this week but, on the picket line yesterday, the pickets who travelled to Southampton said it would not change their attitude.

"If you go back to work under threat, you do not have to be a clever fellow to realise that you will be under threat for the rest of your working life," said Mr Larry Dowling, a Merseyside dockers' spokesman and a shop steward. "Within the next few weeks the employers will be sacking dockers."



Picture: Tony Andrews
Striking a blow: A dock worker from Liverpool takes a break from a day on the picket line in Southampton.

Digit crisis prompts call for longer telephone numbers

By Hugo Dixon

AN EXTRA digit should be added to all Britain's phone numbers in the early 1990s to overcome an acute shortage of numbers, according to a consultative document published yesterday by the Office of Telecommunications (OfTel), the industry watchdog.

The change would mean that people would have to dial "0" followed by 10 digits for calls outside their local area.

This compares with the current system, under which people must dial "0" followed by nine digits for most calls.

OfTel made clear that the precise solution to the numbers shortage proposed by Ovum, its consultant, was open to modification through consultation.

However, it is generally accepted that some change to the system will be needed because of the rapid growth in telecommunications services, unleashed by the Government's policy of liberalising the sector.

New services such as mobile communications and information services have already used up most of Britain's spare capacity of numbers.

There are fears that, unless something is done, further expansion will be stunted. There is also concern that the present system stifles competition to British Telecom from rivals such as Mercury Communications.

Ovum has recommended that a new digit should be

inserted immediately after the initial "0".

This digit would be in addition to the extra digit being added to London's phone numbers next year - the capital is facing an even more serious shortage than the rest of the country and so a temporary solution is being adopted for its problems.

Under Ovum's plan, the extra digit would be used to distinguish between different categories of service.

Normal phone numbers would have a "1" put after the "0".

This would mean the code for Birmingham would change from 021 to 0121.

Mobile phone numbers would have an "8" added to them, while "6" would be added for information services such as the freephone service.

The digit "5" would be used for a new set of numbers called personal numbers.

The idea is that people would be given personal numbers and would then instruct the phone system to send their phone calls to them wherever they were in the country.

The digit "3" would be used for private phone networks.

These are expected to proliferate following the liberalisation in private networks announced last month by the Government.

The remaining digits - 2, 4, 7 and 9 - would not be allocated initially, but reserved for future expansion.

Gatwick officials vote to step up industrial action

By Fiona Thompson, Labour Staff

IMMIGRATION officers at Gatwick Airport, 30 miles south of London, are to step up their industrial action over pay today by imposing a daily work-to-rule. The officers have been taking action since mid-June, but so far only at the weekends.

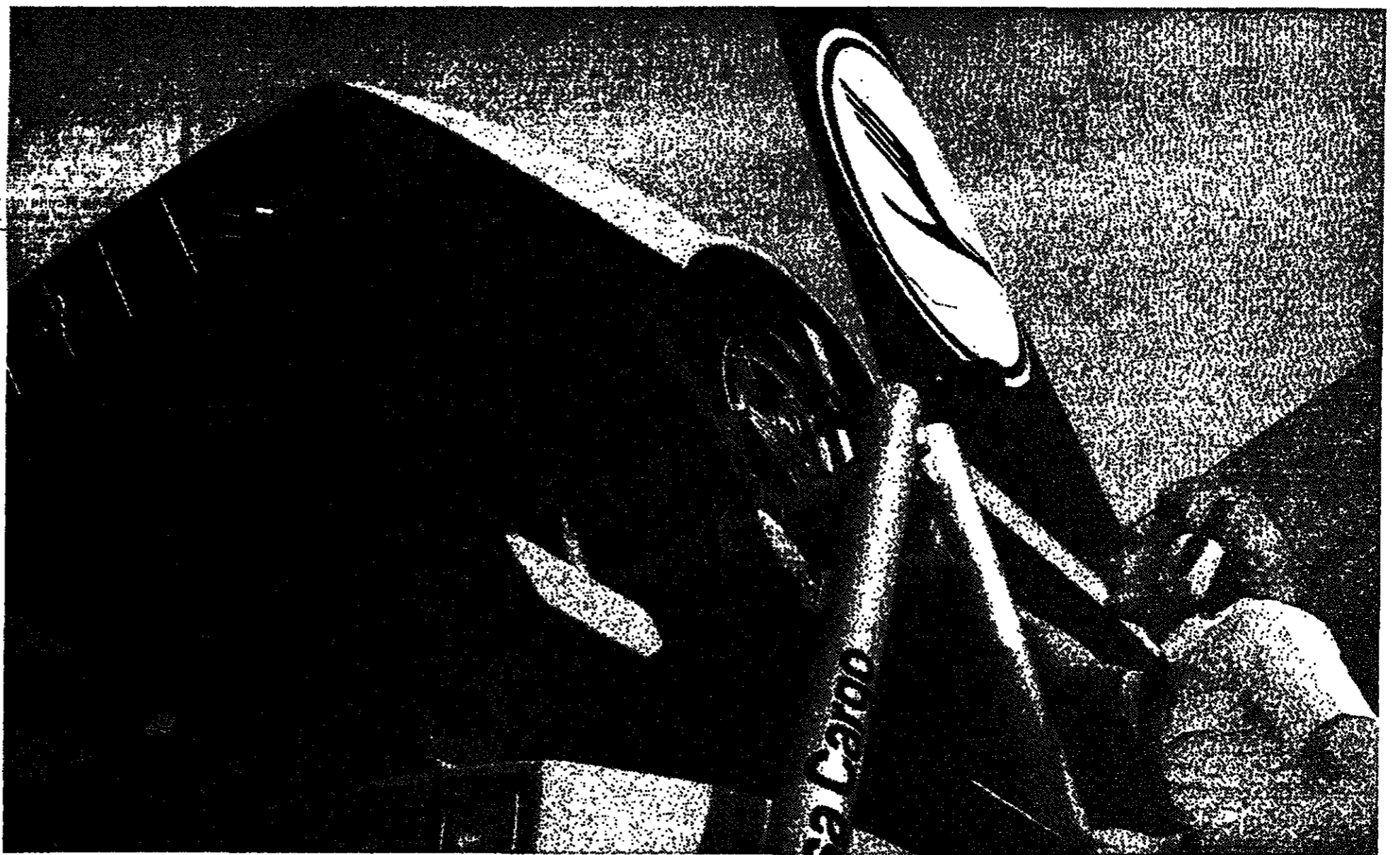
The officers' action was prompted by a new pay system imposed by the Treasury in May, which imposed a differential of £1,400 between immigration officers at Heathrow airport, west London, and Gatwick. The new system was set up to pay extra money for staff in London. Under the

Treasury breakdown, Heathrow, but not Gatwick, falls within London.

The officers are members of the Immigration Services Union. The ISU on Friday announced that it had balloted all its 1,500 members at airports and ports throughout the country on taking action over pay differentials for staff outside London. In a 60 per cent turnout, the ISU voted by a two-thirds majority to operate a work-to-rule.

The action will affect all ports and airports from Friday if there is no progress on pay talks by then.

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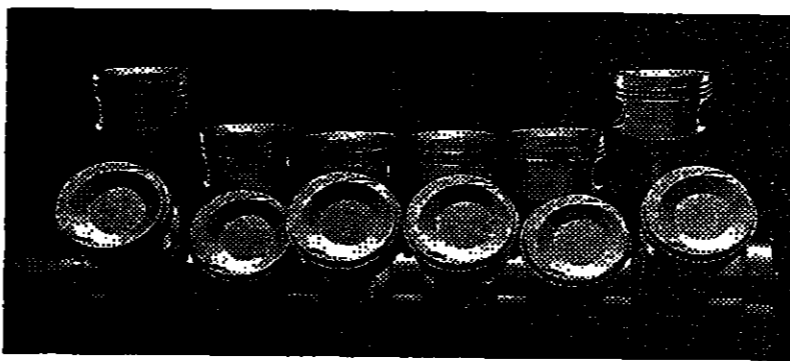
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ARTS

Monumental view of humanity

William Packer reviews Henry Moore in Switzerland

Martigny, the small old town, wrapped in vineyards, that commands the Swiss approach to the Grand Saint Bernard...

Of all the myriad small retrospectives of Henry Moore, this at Martigny is one of the best, at once fully representative and yet most intriguing in its selection...

At every turn there are surprises, not so much of kind as of particular example and quality. Clearly, to the several foreign colleagues with whom I visited the show...



A late bronze: 'Reclining Figure, Hand' 1979

Nijinska at the Dance Theatre of Harlem

Less than ten years ago, the works of Bronislava Nijinska were virtually unknown to American ballet-goers. The Royal Ballet brought Les Biches and Les Noces to New York in the 1960s...

In the 1980s, the situation has changed. Led by the Oakland Ballet in California, which revived both ballets early in the decade...

There were two casts for most of the principal roles. Virginia Johnson, prima inter pares of the company's ballerinas...

The two chanson danseae girls were not double cast: Kelly Gordon and Erika Lamb brought a touching innocence to this interlude of amicitia amoureuse.

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David Rendall, Jeffrey Wells and Linda Ormiston

The Rake's Progress

GLYNDEBOURNE

The last production of the Glyndebourne season is Stravinsky's Rake's Progress in the famous, widely-travelled staging by John Cox with sets and costumes by David Hockney.

Little, I think, has changed. Robert Bryan has enriched the colour-contrasts in his lighting. Tom Rakewell's London morning room, variously tinted, looks more drollily imposing than ever.

accent. As usual, Miss Howells's timing was a joy. As Selim the auctioneer, Alexander Oliver, strutting and preening like a dancing-master with the face of a gorged but greedy bird of prey...

James Bowman's Orlando is experienced, finely judged, in its own way mastery; I confess to finding the cloudiness and bumpiness of his countenance more disconcerting than ever...

Orlando

ROYAL ALBERT HALL/RADIO 3

For many Handelians Orlando and Alcina provide the supreme examples of his operatic art, and between them dispute the title of Desert Island Handel Opera. Both are works of intense erotic charge whose principals are buffeted by tides and crosscurrents of sensual intrigue, emotional conflict and anguish...

Handel the musical dramatist conjures up character and theatrical conflict. This is, by the standards of the earlier Handel Italian operas, a modestly scored work, but its lines and details of colour take on an extraordinary heightened quality...

The soprano roles of Angelica, proud princess and central love-object, and Dorinda, down-to-earth yet lovelorn shepherdess, were taken by two of the brightest ornaments of British 'period' performance, Lynne Dawson and Emma Kirkby.

Max Loppert

ARTS GUIDE

OPERA AND BALLET

London. Ballet. At the Coliseum the Bolshoi Ballet returns through a series of full-length ballets, including Giselle, Spartacus and Romeo and Juliet.

Paris. Grand Palais des Champs Elysees. Ballet Molierev. Russian and world folk dancing.

Bayreuth. Bayreuth Festival. Wagner fans from all parts of the world will see the premiere of a Parsifal production by Wagner's grandson Wolfgang.

Rome. Terme di Caracalla. Aida, in a revival by Sylvano Bussotti of the spectacular 1980s version.

Verona. The Arena. This week's performances include Verdi's Nabucco, conducted by Daniel Oren.

Munich. Munich Opera Festival. Last week of performances opens with Le Nozze di Figaro with star singers Margaret Price, Wolfgang Brendel, Susan Quittmeyer.

Ravenna. Ravenna Festival. Verdi's La Traviata conducted by Massimo de Bernardi.

New York. New York City Opera. The week features the first performance of The Mikado with Lisa Saffer.

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Tuesday August 1 1989

Crime and punishment

THE MURDER of Lt Col William Higgins is an outrage which admits of no moral justification...

Whether Col Higgins was engaged in bona fide UN duties, or - as many people in Lebanon unconnected with his kidnappers believe - in intelligence-gathering on behalf of his own government...

ever, will almost certainly feel obliged to retaliate in some way, and its allies will achieve little, except to deepen misunderstandings within the alliance...

Power struggle

The question which will exercise many western policy-makers is how to reconcile this barbarous and provocative action...

Grievous mistake

If that was Israel's aim, it was a grievous mistake. A civilised government cannot compete in callousness with a band of desperadoes...

The heart of Europe

WEST GERMANY is the pivot between eastern Europe, now in the turmoil of reform, and western Europe, in the throes of economic integration...

surplus of DM 128bn (as against 25 per cent in 1986). But the trade surplus with other EC members accounted for 63 per cent of the total in 1988...

The tension one would have expected within the EMS was forestalled by the huge private capital outflow. The purchase of foreign securities was almost three times as large as in the previous year...

Sustained outflow

The big question for the future is whether such an outflow can be sustained. Though coded, the OECD's doubts are clear enough...

Rapid growth

Rapid growth of exports has a major impact on total demand in West Germany's export-dependent economy. With capacity utilisation and profitability at levels last seen in the early 1970s...

What is clear, however, is that the present scale of capital outflow can only be accommodated within an increasingly integrated and dynamic EC economy...

Major announcements and indications of aid to Poland since Polish elections in June. US \$100m Polish-American Enterprise Fund... World Bank \$325m worth of loans... Paris Club... Commercial banks... International Monetary Fund...

John Lloyd, Christopher Bobinski and David Buchan on western assistance to the Poles

Poland learns the price of aid

After the rhetoric, the reckoning. Poland's new rulers, who on a broad definition must include a politically triumphant Solidarity, have succeeded in convincing western governments...

Today in Brussels, representatives of 24 industrialised countries meet to try to put more flesh on an already substantial structure of aid to Poland, in a highly interventionist international reconstruction effort...

In June, Poland's Communist Government took one greater step by permitting free but limited elections which led to its humiliation by Solidarity. Today it intends to take a no less risky leap in the dark...

This reflects a certain optimism within the European Commission that, as Jacques Delors, the president put it, the West could show the Poles how to operate a free market...

year preferential trade deal with Poland, and called today's summit of the industrialised countries to discuss further assistance. Indeed, it is a measure of the changed sentiment towards eastern Europe...

The Commission is in no position to become Poland's mentor in capitalism. Indeed Commission officials admit, whatever Mr Delors may claim, that they have little idea what structural improvements should be made...

The 574m worth of food help which European Community farm ministers agreed for Poland last week is a case in point. First, it is modest - the 10,000 tonnes of meat included in the aid is barely one month of the country's normal consumption...

Agricultural restructuring will, in part, be a euphemism for price rises on food which, at present, receive a 30 per cent subsidy. Despite this, prices are still too low to recompense Poland's farmers...

autonomy and responsibility to research and development centres, enterprises, local councils or society at large.

Now however, the stated aim of the Polish Government, Solidarity and the western aid providers - both governments and private sector institutions - is to create an ever-denser undergrowth of small to medium companies which trade, both internationally and domestically, free from bureaucratic or political interference...

What is not known is who will control the funds which the aid produces - whether institutions controlled by Solidarity, the Government, or some sort of joint authority.

Yet what is now clear is that this and other western aid is fundamentally different from the loans of the 1960s and '70s: that vast, nearly \$40bn foreign debt burden which the Poles now carry. Those loans poured into vast projects which, by the early 1980s, accounted for only 10 per cent of the number of enterprises...

neo-liberalism while others prefer western social democracy. Further, when the new managers look for profits, for capital and for markets, they will also tend to turn west. The pattern of production and investment since the war has been to orient Poland's industrial base towards the needs of the Soviet Union...

The thorough dismantling of that model, the poverty and backwardness it is seen to have stamped on Polish society, added to the inability of Comcon, the Soviet-bloc economic community, to advance much beyond the exchange of sub-standard goods and raw materials for unconvertible currencies...

The next stage, following on from the visit of President George Bush, and after the swearing in of the new President, Wojciech Jaruzelski (who was, after all, only the old General, Communist Party chief and introducer of martial law) and yesterday's choice of the new Government, will be to attempt to create this new class of managers and put it to work. This is a very tall order.

The reforms which are being called for, first among them price rises, could meet resistance on the streets. Solidarity, fearful of losing its popular base, has already signalled it wants full wage indexation. The "official" union movement, OPZZ, which is attempting to recover prestige through militancy, cannot afford to be left behind.

The aid exercise that is being conducted for Poland's benefit is very different from, for example, the US Marshall Plan and the large amounts of money it made available for the reconstruction of post-war Europe. Polish aid is not less ambitious in scope but will have nothing like that sort of cash committed to it - for it is now clear that the Poles are not to be "bailed out."

Aid is available only once profitable hard work and market-led virtue have been demonstrated. The premise underlying it is that the time for fudging choices is over.

*Poland, by Kolankiewicz and Lewis, published by Pinter, 1988.

Talking to the trees

A limited edition of a new magazine will appear today called PULPI. It is printed on recycled paper, has 59 pages of articles and drawings, and is all in black and white except for the top part of the exclamation mark, which is green.

OBSERVER

Hiccoughs

Something is up with the Reuter financial services. Last Friday there was a line on the wire that the Fed had made arrangements for six repurchase agreements for \$1.5 billion.

Young Moores

Cecil Moores, who died at the weekend aged 86, was the quieter of the pair, but a key figure none the less. He and his brother, John, established Littlewoods' pools.



"We're flying management."

for work, going to the office from his Formby home up to four times a week - even though he retired as chairman in 1979 to become life president.

Lost touch

The autumn conference of David Owen's Social Democratic Party in Scarborough has had to be put back two days because of a local difficulty over bookings. The conference clashed with the magicians' convention and the Poles that have given precedence to the people with real magic.

New mount

Rod Stammer, for the last two years an assistant commissioner in the Royal Canadian Mounted Police and as such one of Canada's most senior Mounties, today begins a new career.

Welsh wars

Wales has fallen out with the Foreign Office. In his search for inward investment, Peter Walker, the Welsh Secretary, has been strongly supporting the Welsh Development Agency, which wants to open further offices abroad.

Nagging doubt

What did Lady Godiva's husband say when she returned from her famous ride? "Your horse got home some hours ago."

CORUM advertisement featuring a watch and text: INDIVIDUALLY MADE WITH A DEGREE OF SKILL AND CARE THAT BELONGS TO A FORMER TIME. CORUM WATCHES CARRY DESIGN INTO THE FUTURE...

John Lloyd

LETTERS

Falling on the sword

From Mr John Goulondris. Sir, Now that the dust surrounding the County NatWest/Blue Arrow affair has started to settle...

year. There can be no doubt that the young County Bank executives committed wrong, probably quite knowingly...

board directors raised no objection to the transaction and yet the DTI report, in effect, demands their removal...

employee is dismissed for dishonesty? Justice involves punishing the guilty - that is, those whose behaviour falls below acceptable standards...

Albatross at the polls

From Mr Roger Graftiey-Smith. Sir, Michael Prowse's excellent article on "The World's Worst Tax" (July 26) reveals the poll tax in all its grotesqueness...

I would disagree with only one aspect of the article. It is not apathy but gullibility that characterises the electorate...

Streetwise earnings

From Ms Victoria Provis. Sir, Surely Peter Brown (Letters, July 27) misses the point. Does he really believe that intelligent teenagers, facing the choice of leaving full-time education at 18...

more on desire to learn about a chosen subject, meet stimulating people of a similar age and have fun, than on the "opportunity cost" of short-term earnings...

Public snouts seem likely to be pushed aside

From Mr C. Schaanning. Sir, Your Lombard column ("Snouts in the trough," July 27) suggests that Britain's captains of industry may have been rewarding themselves a little too enthusiastically recently...

ish Rail versus the transport unions, this argument could have been extended to include also the remuneration of senior executives in the nationalised industries...

public sector must follow suit, and be allowed to pay the market rate to attract capable talent, or it will plod along with its existing management...

From Mr Philip Chambers. Sir, The current controversy over boards of directors paying themselves what they think they are worth could easily be solved...

Facts matter

From Mr Peter Armstrong. Sir, Your international edition (June 20), reporting Mr Don Tyson's belittling of Holly Farms, says that Mr Tyson is from Tennessee...

it would be appreciated if you would correct this mistake about such a well-known person born in Arkansas...

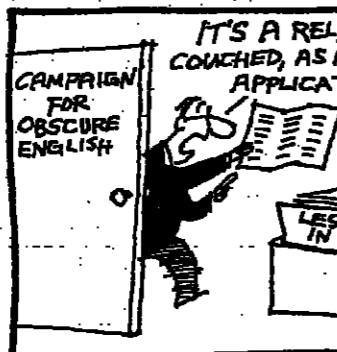
A case for further study

From Mr Richard Rogers. Sir, Robert Cowan's article on Milton Keynes ("Case study: Milton Keynes," FT survey of architecture, July 20) states: "Auschwitz, Nuremberg and Milton Keynes, declared Leon Krier, now planner to the Prince of Wales at Dorchester...

"are all children of the same parent." I should be grateful if Mr Krier could elucidate this bizarre statement...

'Signs of disaster are here'

From Mr D.R. Denne. Sir, I do hope that someone has placed Frank Blackaby's article ("A soft landing is wishful thinking," July 26) under the noses of Mrs Margaret Thatcher, the Prime Minister, and Mr Nigel Lawson, the Chancellor of the Exchequer...



Rough places made plain. From Mr Gerald Teu. Sir, From time to time there is complaint about government forms. My wife and I have just completed our applications for state pension (a comfort, as I have been paying in since August 1942)...

Euro-lesson

From Mr Neville Beale. Sir, Your leader (July 29) echoes received wisdom that "there are signs that opinion in Britain is beginning to shift towards closer European integration than the UK Prime Minister is supposed to favour..."

Care of a wilderness

From Miss Cassandra Phillips. Sir, Your report (July 5) on the Antarctic Minerals Bill debate implies that the convention Bill is designed to support is a purely environmental protection measure...

The Australians have already vetoed the Antarctic Minerals Convention. They have been joined by France and Belgium in calling for the Antarctic Treaty consultative parties to negotiate an international wilderness regime for Antarctica...

'English grammar is easy'

From Mrs Freda Zoetewij. Sir, Mr Nicholas Dale (July 1) makes some cogent points in his defence of the teaching of grammar and standard English. I hope that his letter will be given serious consideration by the decision-takers...

days this was considered par for the course at a reasonably competent private school where teachers actually taught. Children from educated homes will always learn to speak and write correctly...

Time for new thinking about Guyana

From Mr Cheddi Jagan. Sir, Twenty years ago (October 30, 1969) you carried a special supplement on Guyana. It did not mention that, earlier that year, Granada TV stated: "The newly re-elected Prime Minister of Guyana, Forbes Burnham, arrives in London today (January 6, 1969) for the Prime Ministers' conference..."

In your 1988 survey on Guyana the headlines read: "Down-turn in sugar as rice crop falls." "The pain of trying to achieve economic recovery." "An economic about-turn." "Mr Hoyte puts a stop to the reign of terror." "Danger that DMF medicine might prove too strong..."

an outcome - unlikely to be welcomed by the US and UK whose dislike of Dr Jagan's out-dated Marxist rhetoric is well-known - might also arguably signal this young country's final coming of age..."

only on personal power." Is it any wonder that Guyana is a disaster and a liability to the Caribbean community and the rest of the world? In the interests of the peoples of Guyana, Britain and the US, what should be fostered is not East/West confrontation and ideological stereotypes...

The lack of enthusiasm with which Mrs Margaret Thatcher's Cabinet reshuffle has been greeted abroad reflects the generally gloomy view that Britain's closest allies, particularly in Europe, have long had of British foreign policy...

FOREIGN AFFAIRS

A baptism of fire for Mr Major

Robert Mauthner argues that the EC is likely to make or break the UK's new Foreign Secretary

Brief excursions into European history, like telling President Francois Mitterrand that the Greeks and the British, not the French, invented the rights of man, hardly compensate for the widespread perception that Mrs Thatcher lacks any real vision of Britain's place in a rapidly changing world...

probably true in the short term, could prove to be wrong in the longer run for two reasons. The poor showing by the Conservatives in the recent elections to the European Parliament has underlined the Prime Minister's vulnerability on European matters...

ish foreign policy and the new Foreign Secretary's diplomatic and negotiating skills will be severely tested in the coming months on the European front. President Mitterrand, who has taken over the European Community's chairmanship for the next six months, has already made it clear that he intends to move full steam ahead towards monetary union...

British foreign policy will be severely tested in the coming months on the European front

Downing Street officials sometimes sneeringly refer to the Foreign Office as representing the interests of foreigners rather than the British. A more sophisticated analysis might lead them to the conclusion that head-on clashes with foreign governments and leaders which have the effect of isolating the country are not necessarily the best way to further national interests...

about the direction that European policy has been taking. The second reason why more optimism might be in order is that having, at last, reshuffled her Foreign Secretary, Mrs Thatcher is unlikely to do so again before the next general election...

ermental conference and majority voting to ensure that monetary union continues beyond its first phase. Whether he will get his way is not yet certain. But it is already clear that the situation contains all the elements of a damaging crisis, including the explosive component of an Anglo-French clash over Mr Mitterrand's threat to link the liberalisation of French capital movements to satisfactory progress towards monetary union...

Advertisement for Mitsui Bank. Features text: 'Mitsui was the first Japanese bank to tailor its international organization to correspond precisely with the realities of today's international markets.' 'Mitsui decision-making is done at local level, with ultimate authority placed firmly in regional headquarters.' 'Mitsui can therefore assure customers of the fastest reaction to opportunity.' 'For the full range of services in international banking, securities business, merchant banking and consulting, contact Mitsui - first and fast.' Large text: 'FINANCE FIRST & FAST'. Bottom text: 'Mitsui is best organized to respond fastest to customer demands in the era of global business and finance.'

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FBI set for futures fraud swoop on Chicago traders

By Deborah Hargreaves in Chicago

THE FEDERAL Bureau of Investigation is set to swoop in Chicago this week...

widespread fraud among futures traders, FBI investigators posed as brokers and secretly recorded conversations...

confiscate a trader's assets. Defence lawyers have strongly criticised the way the government has conducted the investigation.

Chicago law firm Genson, Steinback & Gillespie. "They don't really think they were defrauding anyone."

"These were practices where the exchange would maybe levy a \$5,000 (\$2,125 or \$10,000 fine," says Mr Genson...

Georgia's summer of discontent

Quentin Peel analyses resurgent nationalism in a Soviet republic

SUMMERTIME in Soviet Georgia should be a time of holidays, sunshine, wine and watermelons.

Tourists flock into the historic streets and churches of Tbilisi and the resorts of its Black Sea shores...



Thousands of Georgians join a funeral procession for victims of clashes between demonstrators and troops in Tbilisi, capital of the republic, which left 19 dead.

In June, a Georgian Popular Front was finally established, along the lines of sister movements in the Baltic republics.

Never in recent years have Georgians seemed so united in their determination to regain independence from their huge Russian neighbour.

The upsurge in national unity dates above all from April 9, when Soviet troops with sharpened bayonets and toxic tear gas crushed a national demonstration in Lenin Square...

Yet equally the sense of impending disaster is palpable. Placards are posted every day afresh along the columns of Rustaveli Avenue...

They are planning genocide to force the Georgian people to leave," says Professor Nodar Natadze...

Mobs armed with pistols and semi-automatic weapons roamed the villages, set up road blocks, and beat up any passing Georgians.

"When a majority sets out to massacre a minority, it is genocide," a Georgian doctor said.

There is no doubt the Georgians are convinced they are the injured party, and most of the victims in Abkhazia have been Georgians.

Everyone seems to agree that the Communist Party is now doing little more than react to nationalist initiatives.

Mr Gamsakurdia is convinced it is deliberate. "Gorbachev is a democrat in Moscow, but he is a chauvinist, an imperialist, in the republics."

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China offers guarantee on Cambodian independence

By George Graham in Paris

CHINA'S foreign minister yesterday raised hopes of progress in the Cambodian peace talks with a conciliatory speech...

China has been the main backer of the Khmer Rouge, which forms part of the Cambodian resistance coalition led by Prince Norodom Sihanouk...

Mr Qian Qichen's speech to the international conference on Cambodia in Paris yesterday carefully avoided any direct reference to the Khmer Rouge...

He welcomed Vietnam's decision to pull its troops out by 21 September, but insisted that the withdrawal must be complete and genuine.

Mr Nguyen Co Thach, Vietnam's Foreign Minister, responded in a conciliatory fashion, opening the way for a possible agreement on a role for the UN in an international control mechanism...

Mr Thach said he was confident that an overall Cambodian agreement could be reached since there was now a convergence of views on the essential points.

The divergences existing between us are large, but they cover certain concrete problems within the fundamental convergences...

Mr Qian held lengthy bilateral talks with both Mr John Major, the UK Foreign Secretary, and Mr James Baker, the US Secretary of State...

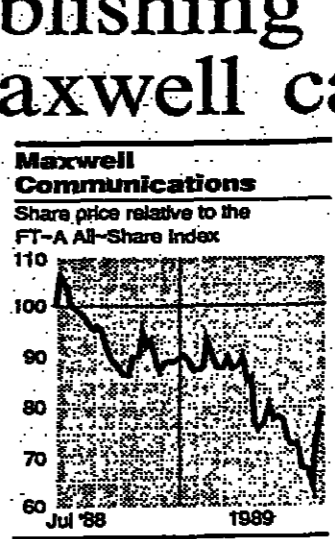
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Publishing the Maxwell case

Maxwell Communications



Maxwell Communications has been such a bad investment for so long that the question of re-taking was bound to crop up eventually.

The last bit deserves consideration. Various UK companies from ADT to Blue Arrow have made a fresh start with US investors and prospered accordingly.

On closer inspection of yesterday's 15-month figures, the picture becomes murkier. The collapse in earnings per share is as expected...

As to the pro-forma balance sheet, there will apparently be no goodwill write-off for either Macmillan or OAG...

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of 1.5 to 2 per cent. Unless Friday's employment figures are woefully weak the Fed will have little reason to ease at once...

When it comes to overseas acquisitions the stock market is understandably sceptical about British Telecom's ability to spend its huge cash flow sensibly...

The businesses BT is buying fit far more neatly into a telecommunications group than an aircraft manufacturer...

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Interior Minister proposed as Polish PM

By Christopher Bobinski in Warsaw

GENERAL Czeslaw Kiszczak, the Polish Interior Minister, has been nominated as the country's next Prime Minister.

Gen Kiszczak for years repressed Solidarity, but in recent months conducted a successful dialogue with the movement.

His own appointment has been endorsed, he must then form a Government which will in turn need approval from the Sejm...

Gen Kiszczak, who came to his police post from military counter-intelligence, and who was always seen as Gen Jaruzelski's ally in a hostile security apparatus...

Gen Kiszczak has never disclosed his views on the way Poland's economy should be managed, but he won Solidarity's grudging respect as chairman of round-table talks on Poland's future this spring.

The Sejm yesterday debated legislation automatically linking wage rises to increases in the cost of living...

Polish were flocking to food shops in an attempt to stock up before food prices rise today.

Risks of 200 or even 300 per cent are expected as the first stage of a plan to liberalise the processing and sale of food goes into operation.

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Officials of 24 western industrialised countries will today meet to discuss ways to bolster political and economic reforms in Poland and Hungary...

The meeting, convened by the European Commission and including virtually all member countries of the Organisation for Economic Cooperation and Development (OECD)...

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Officials of 24 western industrialised countries will today meet to discuss ways to bolster political and economic reforms in Poland and Hungary...

Buffett moves on Coca-Cola

Continued From Page 1

Buffett moves on Coca-Cola. Last year, Berkshire Hathaway spent \$58m to add Coke to its small but productive group of publicly quoted investments...

Since then, Coke stock has risen by over 50 per cent as profits at the Atlanta company have grown on overseas demand.

WE'RE RESPONSIVE. Tokai Bank advertisement with text: Decisions. Decisions. Decisions. In the international arena, they can take forever. So while you're sitting on the sidelines twiddling your thumbs, your competition is out there. Wheeling and dealing. But with Tokai Bank on your side, this problem simply does not exist.

WORLD WEATHER table with columns for location, temperature, and conditions. Includes locations like Amstcr, Algiers, Amsterdam, Athens, Bahrain, Bangkok, Barcelona, Beirut, Belgrade, Berlin, Bombay, Brno, Buenos Aires, Budapest, Cairo, Cape Town, Caracas, Copenhagen, Cologne, Copenhagen, Corfu, Dallas, Dublin.

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INSIDE

Delay likely for NTT share issue



Nippon Telegraph and Telephone, the large Japanese telecommunications company, has already seen its image and share price seriously damaged by the Recruit bribery scandal. NTT's former chairman, Mr Hiashi Shinto (left), and two other former directors were indicted on charges of accepting bribes from Recruit group companies. Now, it is widely believed in Tokyo that the government will postpone the sale of the fourth tranche of its shares in the company, which is due in the autumn. Michiyo Nakamoto reports. Page 19

All-round growth at Siemens

The favourable economic environment helped Siemens, the West German electrical and electronics group, to achieve growth in nearly every sector and country. In the nine months ended June 1989 net profits rose 12 per cent to DM1.08bn (\$570m) and new orders accelerated sharply. The company has already hinted that a dividend increase is likely for 1989-90, last year's pay-out having been kept unchanged at DM11 a share. Page 18

Tiny bid, larger questions

Today is the first closing date for the hostile offer for Red Funnel Group, which operates the Southampton-Isle of Wight ferry service, from Scandinavian-owned Sully UK Holdings, which runs the Ramsgate-Dunkirk ferries. For now, Red Funnel's shareholders are expected to ignore the approach. But if Sully lifts its offer, the tiny bid should raise some much larger questions, testing local loyalties and pitting old against new. Page 23

Hard-fought gold rush

The Philippines is already the world's sixth largest gold producer, and it is believed to have large untapped deposits, particularly on the island of Mindanao. But — such are the rivalries between the miners seeking to exploit the resource — tapping this potential will require government regulation of the industry, writes Richard Gourlay. Page 24

Record highs around the world

Corporate results were responsible for some of the sharpest rises in equity markets last week, as a spate of strong half-year figures sent Switzerland up 3.8 per cent and poor second-quarter profits from Norsk Hydro triggered a 3.9 per cent drop in Norway. Equities equaled a solid week, with record highs cropping up around the world, and notably in the US and Japan. Page 36

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Chief price changes yesterday

FRANKFURT (DM)	PARIS (FF)		
Bayer	630 + 8	Lundbeck	530 + 25.1
Deutscher	350.5 + 4.5	Metrovick	290 + 14.7
Schering	747 + 13	Pele	1055 - 81.2
DW	601.5 - 6.2	Sino	320 - 23.9
Commerzbank	262.5 - 3.3	UF	650 - 40.1
UAG Sabote	195 - 3.5	TOBEVO (Yuan)	40.1
NEW YORK (\$)	MILWAUKEE (\$)		
Delta Air Lines	72 1/4 + 3/4	Bausch (Italy)	918 + 100
Boeing	55 1/4 + 1/4	Holzer Sals	3380 + 30
Grumman	47 1/4 + 1/4	Holzer Sals	1400 + 10
Hercules	47 1/4 + 1/4	Surgava	950 + 30
IBM	115 1/4 + 1/4	Pelle	1055 + 81.2
Palco	108 - 1/8	Palco	2040 - 180
Yama Air	18 1/4 - 1/8	Nippon Gas	2360 - 140

London (Pence)

Shell	595 - 9	Shell	595 - 9
BP	415 - 8	BP	415 - 8
British	940 - 8	British	940 - 8
BP	284 + 6	BP	284 + 6
BP	224 + 5	BP	224 + 5
BP	351 + 5	BP	351 + 5
BP	374 + 6	BP	374 + 6
BP	778 + 14	BP	778 + 14
BP	407 + 11	BP	407 + 11
BP	222 + 10	BP	222 + 10
BP	242 + 10	BP	242 + 10
BP	310 - 11	BP	310 - 11
BP	850 1/2 - 7 1/2	BP	850 1/2 - 7 1/2

BT pays \$355m for McDonnell businesses

By Hugo Dixon in London and Anatole Kaletsky in New York

BRITISH Telecom has agreed to pay \$355m to McDonnell Douglas, the US aerospace company for its data communications and value-added services businesses. These businesses, which are centred on the Tymnet public data network, will make BT one of the leading providers of data communications services in the US to add to its dominant position in the UK data communications market. The purchase is the latest step in BT's strategy of expanding into high-growth markets overseas. As the UK Government's policy of encouraging competition in its home market has begun to bite, BT has felt an increasing need to look to other markets to maintain expansion. Its most aggressive move in this direction was its decision earlier this year to pay \$1.4bn to buy a 20 per cent stake in McCaw, a long-making US cellular communications business. The Tymnet acquisition is significant because, apart from mobile communications, data communications is the fastest-growing sector of the telecoms market. Tymnet runs the US's second largest public data network with about 30 per cent of the market. This allows computer users to send each other data over the public network. The businesses to be bought by BT also have about 10 per cent of America's electronic mail and electronic data interchange markets. In addition, they manage private data networks on behalf of large corporations and run credit card authorisation services. BT intends to integrate Tymnet with Dialcom, its existing US data communications business which specialises in electronic mail services. It also hopes to be able to cross-sell its other telecom products and services to Tymnet's customers, which include 30 of America's top 100 companies. The businesses being acquired have annual turnover of around \$350m and are trading profitably, although BT will not reveal exact figures. The group employs about 1,500 people and is headquartered in San Jose, California. McDonnell, which recently announced another set of disappointing profits despite record sales in its civilian aircraft subsidiary, also put up for sale yesterday its North American field service group, a business which provides computer maintenance to outside customers on a contract basis. The company said it was soliciting bids through Lodestar Group, a Wall Street investment

Generali in accord with Axa-Midi

By Alan Friedman in Milan

ASSICURAZIONI Generali, Italy's largest insurance group, plans extensive "collaboration agreement" with Axa-Midi, the French diversified insurance concern, including the formation of a joint venture insurance company to be the vehicle for acquisitions in the sector. The Generali-Axa/Midi accord comes after nearly two years of uncertainty, hostility and lawsuits between the French and Generali, which has been building up a shareholding in Compagnie du Midi. Generali began buying Midi stock in 1987, and said yesterday that it now holds 16.2 per cent. It is believed that Lazard Freres, a prominent shareholder in Generali, as well as an ally and adviser, may hold additional Midi shares. Axa, which is chaired by Mr Claude Bébear, agreed to ally with Midi in April last year to try to stop Generali from winning effective control of Midi. The 1988 Axa-Midi merger gave Axa a 28.6 per cent stake in Midi, diluted the Generali shareholding and raised the cost of any further purchases by Generali. In July 1988, Generali was given permission by a Paris tribunal to raise its Midi stake above 10 per cent. And Mr Enrico Randone, the 77-year-old Generali chairman, has been able to play off Mr Bébear and Mr Bernard Pagezy, Midi's chairman since 1978, against each other. Five months ago Mr Bébear emerged as the victor after a struggle with Mr Pagezy for control of Midi; then Axa won a dominant position on the Midi board. Generali also won two board seats. Mr Bébear said at the time that Generali was "an extremely interesting partner, and we can do great things with them." Generali said yesterday that last Friday Mr Bébear met Mr Randone at Generali headquarters in Trieste to iron out the joint venture plan. Details were scarce, but the Italian insurer said that the two companies had agreed to finalise an accord based on "a reciprocal relationship" that would reflect both companies being large shareholders in Midi. The Bank of France has also been involved in the Midi saga. Last month the French central bank gave Generali until next year to decide whether it would raise its Midi stake to a threshold of 33 per cent.



Robert Maxwell yesterday welcomed Sofigen's announcement

Sofigen questions sale of Crosfield

By William Dullforce in Geneva and Andrew Hill and Raymond Snoddy in London

DE LA RUE, the British banknote and security printer, last night faced mounting difficulties with the proposed £235m (\$387.7m) sale of its Crosfield Electronics subsidiary when its second largest shareholder, Societe Financiere de Geneve (Sofigen), expressed doubts about the deal. Sofigen, which holds about 4.3 per cent of De La Rue, is likely to vote for an adjournment of Thursday's extraordinary meeting, called to approve an offer for Crosfield from Du Pont, the US chemicals group, and Fujii Photo of Japan. A vote for adjournment would back Mr Robert Maxwell, the publisher, who has asked that Thursday's meeting be adjourned to allow further discussions to take place between De La Rue and Scitex Corporation, the Israeli-based company which has indicated that it might be prepared to offer £255m to £265m for Crosfield. Mr Maxwell's Mirror Group Newspapers owns 27 per cent of Scitex. Sofigen, the Geneva-based investment arm of Mr Carlo De Benedetti, the Italian industrialist and financier, said yesterday that it was "at present sympathetic to" adjournment, to allow all alternatives to the agreed deal with Du Pont and Fujii Photo to be "fully considered and evaluated". Mr Tony Kirk, Sofigen's managing director, said "several parties" had been mentioned as interested in Crosfield and Sofigen was not convinced that all the alternatives had been explored. The group believed that all steps should be taken to maximise the value of Crosfield to the De La Rue shareholders. The contract with Du Pont and Fujii Photo required shareholder approval by about September 1, so that there was time for the De La Rue management to examine alternatives, Mr Kirk said. De La Rue, Du Pont and Fujii have all warned that a delay might jeopardise the original deal. Mr Maxwell yesterday welcomed Sofigen's announcement, but conceded that it would be a very narrow vote. The publisher said he might consider legal action if he failed to win an adjournment. De La Rue, Du Pont and Scitex chairman, said he was disappointed with Sofigen's decision and believed the company had made a mistake. Scitex recently bought 6.1 per cent of De La Rue. Mr Maxwell himself owns 15 per cent, while Sofigen had built up a 5.1 per cent stake. Last week Sofigen sold some of its De La Rue shares to bring its holding below the 5 per cent level in what was seen in Geneva as a move to enhance its freedom of manoeuvre. Shareholders with 5 per cent or more are obliged to keep the company and the stock exchange informed of changes in their holdings. But Sofigen retains 5.1 per cent of the voting rights during the current accounting period.

World market for Sun-glasses 1988

Region	Value (Million \$)
US	1.4 150
W. Europe	1.0 100
Others	1.1 125
	3.5 375

The frequent wearing of sun-glasses by the likes of film star Jack Nicholson and singer Madonna (above) has had a strong impact on sales since the mid-1980s

The stars come out and the sun-glasses go on

Alice Rawsthorn explains how up-market designer products have left mass-market rivals in the shade

During the sunny spring and summer of 1989 a wealthy designer on Foster Grant has wended its way around the desks of the senior executives of corporate America. Foster Grant is up for sale. Ostensibly it should be sold at a high price. Foster, is, after all, one of the best known names in the global market for sun-glasses. And sales of sun-glasses have soared throughout the world in the 1980s. Most of the other major manufacturers — Bausch & Lomb of the US, Vuarnet of France and Optyl of Austria — have enjoyed booming businesses. But Foster has languished. Whereas Bausch, Optyl and Vuarnet specialise in expensive, stylish sun-glasses, Foster has struggled to compete against Asian imports in the mass market. The boom in sales began in the mid-1980s after a number of US film stars wearing Ray-Ban Wayfarers, a Bausch product which was first fashionable in the 1950s. Just as the image of Marlon Brando sporting his Bausch Aviators in the film "The Wild One" stimulated sales of sun-glasses in the 1950s, so did the appearance of John Belushi in the "Blues Brothers" and Tom Cruise in "Risky Business" in the 1980s. Sales have soared ever since. Bausch, which made fewer than 10,000 pairs of Wayfarers in the late 1970s, now churns out millions of pairs a year. The global market for sun-glasses has risen from about \$2bn in 1983 to \$3.5bn in 1988. Wayfarers have, predictably, fallen out of fashion. Yet their success ensured that sun-glasses are now seen as a fashionable product, thereby persuading people to buy a new style each year. The market has also been buoyed by practical concerns such as the risk that exposure to ultra-violet and blue light can cause damage to the eye. Earlier this summer the US Food and Drug Administration introduced a voluntary code whereby manufacturers label their products to indicate the level of protection offered against ultra-violet light. These health scares have encouraged consumers to spend more money on sun-glasses with more sophisticated lenses. Many people, particularly in the US and Scandinavia, have started to wear sun-glasses for protection throughout the year. One company, JS&A in Chicago, has won a significant share of the North American market thanks to a single product, Blue Blockers, which blocks out blue light. The leading lens manufacturer — Pilkington of the UK. Coming of the US and Polycore of Singapore — have invested heavily in research and development to meet the demand for increasingly complex lenses. All these trends have ensured that people are prepared to buy more pairs of sun-glasses and to spend more money on them. This means that, although the market has experienced overall growth, sales have grown at different speeds from sector to sector. A glance at the trends in the US — which accounts for about 40 per cent of the world market — illustrates the erratic pattern of growth. The market for sun-glasses selling for less than \$80 rose by 30 per cent from \$570m to \$742m between 1983 and 1988. Yet sales of sun-glasses selling for more than \$80 increased threefold from \$231m to \$696m in the same period. The same trend has been replicated in almost every other country. The market for "designer" sun-glasses has boomed. The first collection from Jean-Paul Gaultier, the *avocat garde* French designer, includes a pair for around \$500. The most successful manufacturers have been those concentrating on more expensive products. This increase in imports has dealt a devastating blow to the established US manufacturers. Some companies have beaten a retreat from the market. Foster Grant is one of the few to have struggled on. It is still the largest player in the mass market, but its share has shrunk from about 30 to 15 per cent in the last five years. Three years ago Foster was sold by Eoectus, the West German chemicals concern, to Adinger, one of the new generation of companies which specialises in buying troubled businesses and selling them at a profit. Foster has since cut costs and switched production from the US to Mexico. But it is still struggling and Adinger put it up for sale a few months ago. It has since received an offer and corporate lawyers are now poring over Foster's accounts. The new owner of one of the best known names in the global market for sun-glasses should be unveiled next month.

How to trade in the black.

There are 1500 acres of land ripe for development just waiting to be snatched up at the heart of the nation. There's excellent access. A skilled workforce with an unblemished labour relations record. Grant aid is selectively available. Planning permission is even easier. There's a minimum of red tape. Technological, financial and marketing services are already springing up. Now all you need is a name to contact: John de Kanter, Business Development Manager. He'll give you the facts — in black and white.



INTERNATIONAL COMPANIES AND FINANCE

Maxwell's media group in top 10

By Raymond Snoddy

MR ROBERT Maxwell, the UK publisher, appears to have lost his taste for getting bigger for its own sake...

still like to take Maxwell Communication Corporation to fifth or sixth place in the international media league table.

London TV company plans to restructure

By Raymond Snoddy

LONDON Weekend Television, one of the big five UK independent television (ITV) companies, is planning a radical restructuring...

Wang reveals heavy losses and plans to restructure

By Louise Kehoe in San Francisco

WANG Laboratories, the US office automation equipment manufacturer, revealed the full depth of its financial problems yesterday...

quarter revenues were \$88.7m, against \$82.2m.

Wang said it has reduced its worldwide workforce by more than 10 per cent over the past 18 months...

Overseas side boosts Schering

By Andrew Fisher

NET PROFITS of Schering, the West German pharmaceuticals and chemicals company, jumped 21 per cent in the first half of this year...

The company repeated its forecast that group earnings would show a double-digit increase this year.

Schering said that the rise in foreign turnover partly reflected favourable currency trends.

Montedison move on minorities

By Alan Friedman in Milan

MONTEDISON, the Italian chemicals and pharmaceuticals company controlled by Mr Raul Gardini's Ferruzzi group...

Montedison plans an offer worth \$622m for the outstanding 19 per cent of Ilmont, a company formed in 1986...

is expected in the next day or so. Terms will then be put to special committees for evaluation of the offers.

The last time Montedison tried to buy out minority US investors was in last year's controversial offer for the quoted Ausimont speciality chemicals business.

An independent committee rejected Montedison's \$35-per-share offer as inadequate, and Oppenheimer, the New York investment firm, bought a 5.3 per cent block of Ausimont...

Last month Montedison bought Oppenheimer's Ausimont shares. The average price paid per share to Oppenheimer, with "expenses" included, is believed to have totalled more than \$35 per share.

CanPac shares surge on bid rumours

By David Owen in Toronto

A FOREIGN-BACKED takeover bid for Canadian Pacific, Canada's second largest conglomerate, is rumoured to be in the offing...

Close to 10m CP shares have changed hands in this time on the Toronto Stock Exchange alone, and the Montreal-based company's stock price has risen by more than 20 per cent.

Toronto at C\$28 3/4. With some 317m shares outstanding, this value the company close to C\$9bn (US\$7.6bn).

The list of potential suitors - growing by the minute - is headed by Mr Carl Icahn, the US corporate raider, and the UK's Hanson. It is likely, however, that any bid would contain at least a modicum of Canadian involvement.

ney's Conservatives came to power, a foreign raid on the company that once formed the backbone of the national economy would probably be regarded as beyond the pale.

Siemens improves on all fronts

By Andrew Fisher in Frankfurt

SIEMENS, the West German electrical and electronics group, yesterday reported brisk progress on all fronts in the nine months ended June 1989...

The number of orders in the first nine months was 18 per cent higher than the previous corresponding period at DM47.7bn.

Siemens said that new business benefited KWU, its power station subsidiary, and the telecommunications, security systems, energy and automation activities.

Dresdner Bank profits rise by 22%

By Andrew Fisher in Frankfurt

DRESDNER BANK, West Germany's second largest bank, increased group partial operating profits by 22 per cent for the first half of 1989 compared with the first half of last year...

the full 1988 figure - the usual basis of comparison used by German banks - first half partial operating profits rose 9.5 per cent.

the German economy, Dresdner said that credit advances to domestic companies increased considerably during the half year, especially for short and medium-term loans.

All these securities having been sold, this announcement appears as a matter of record only.

NEW ISSUE

July 1989



HINO MOTORS, LTD.

U.S. \$200,000,000

4 3/4 per cent. Guaranteed Notes due 1994

Warrants

to subscribe for shares of common stock of Hino Motors, Ltd. The Notes will be unconditionally and irrevocably guaranteed by

The Mitsui Bank, Limited

ISSUE PRICE 100 PER CENT

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Mitsui Finance International Limited

Yamaichi International (Europe) Limited

DKB International Limited

Fuji International Finance Limited

Barclays de Zoete Wedd Limited

Baring Brothers & Co., Limited

Bayerische Vereinsbank Aktiengesellschaft

Chase Investment Bank

Crédit Lyonnais Securities

Daiwa Europe Limited

Robert Fleming & Co. Limited

Generale Bank

KOKUSAI Europe Limited

LTCB International Limited

Merrill Lynch International Limited

Mitsui Trust International Limited

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Nippon Kangyo Kakumaru (Europe) Limited

Nomura International

Saitama Finance International Limited

Salomon Brothers International Limited

J. Henry Schroder Wagg & Co. Limited

Swiss Bank Corporation

Taiheiyu Europe Limited

Taiyo Kobe International Limited

S.G. Warburg Securities

Westdeutsche Landesbank Girozentrale

This announcement appears as a matter of record only.

\$65,000,000



Telefónica Internacional de España

has acquired 10% of the shares of

ENTEL-Chile

(Empresa Nacional de Telecomunicaciones)

Banco Santander has underwritten the placement of an additional 10% of the shares of Entel.

The undersigned acted as financial advisor to Telefónica Internacional de España, structured the transaction, arranged for the purchase of shares and the debt/equity swap, and provided the Chilean debt for the swap.



Banco Santander

June 1989

YAMAICHI DYNAMIC Management Company S.A. Société Anonyme R.C. Luxembourg B 21236

YAMAICHI DYNAMIC GROWTH FUND Notice to Shareholders

The net assets of the Fund having fallen, for more than six months, to below one quarter of the legal minimum, the Board of Directors of Yamaichi Dynamic Management Company S.A. has decided in agreement with the Custodian, to terminate the operations of the Fund and proceed with its liquidation as from 21st June, 1989.

In accordance with Article 11 of the Management Regulations, issues and redemptions of shares have been suspended as from this date. The calculation of the net asset value has also been suspended.

The Management Company, as liquidator of the Fund, has appointed Fiduciaria Générale de Luxembourg to assist it in the liquidation of the Fund. It is expected to reimburse to the remaining shareholders the corresponding net asset value per share that will be determined by the Management Company on or before the 31st October, 1989 but no assurance can be given that this date will be respected.

Shares should be presented to the Paying Agent, Banque Paribas Luxembourg. At the close of liquidation any outstanding amounts will be deposited with the Caisse des Consignations in Luxembourg on behalf of the beneficiaries.

All accounting records and legal documents relating to the Fund will be retained at the registered office of the Fund, 10A Boulevard Royal, Luxembourg. 21st July, 1989

On behalf of the Board of Directors General Manager

NORTHERN ROCK BUILDING SOCIETY

Issue of up to £100,000,000 Floating Rate Notes due 1992 of which £75,000,000 is being issued as the Initial Tranche

In accordance with the provisions of the Notes, notice is hereby given that the Rate of Interest for the three month period ending 30th October, 1989 has been fixed at 13.9375% per annum.



28th July 1989

London Branch Agent Bank

INTERNATIONAL COMPANIES AND FINANCE

Chrysler edges up despite decline in volume of sales

By Anatole Kaletsky in New York

CHRYSLER, the third largest US motor manufacturer, announced a slight advance in profits despite a fall in sales volumes and market share.

number of Chrysler shares outstanding after the company's takeover of American Motors last year.

Mr Iacocca said the increase in profits came despite sluggish sales throughout the auto industry and a 20 per cent increase in the financial incentive associated with the company's sales drives in the past three months.

US insurers relieved as lawsuit runs into trouble

By James Suchan in New York

US INSURERS are relieved and pleased at signs that a massive anti-trust lawsuit against the industry is running into trouble.

NTT tranche may be put on hold

Michiyo Nakamoto on Japan's likely delay in a further sell-off

The Japanese Government is likely to postpone the sale of the fourth tranche of its shares in Nippon Telegraph and Telephone (NTT), the large telecommunications company.



Taisuo Murayama: facing investor disenchantment

While the Government will be doing its utmost to ensure the highest possible issue price, investors this time are not likely to accept anything close to the ¥2.55m that the second tranche of NTT shares fetched at the peak of the company's popularity in 1987.

The final decision lies with NTT itself, and an official of Yamachi Securities said the company, which had a long and comfortable existence as a government entity, had still not taken on the idea that it should please its shareholders.

Qintex buys resort sites in US

By Chris Sherwell in Sydney

QINTEX, the ambitious Australian entertainment and leisure group, has spent US\$250m buying two southern Californian beachfront properties for its first Mirage resort on the US mainland.

The group already operates two Mirage resorts in Queensland, at Port Douglas, and on the Gold Coast, and is developing another at Princeville, in Hawaii.

Shase for a beachfront property in California large enough for a fourth Mirage complex.

Bell sells 10% in mining group

By Our Financial Staff

BELL RESOURCES, part of Mr Alan Bond's troubled Perth-based empire, has raised AS\$22.2m (US\$18.6m) through the sale of its 10 per cent stake in Central Queensland Coal Associates, which operates coking coal mines in that state.

linked Gregory Joint Venture to China Steel Corporation of Taiwan for some A\$30m.

the prospect of a financial collaboration to assist Mr Bond.

Whirlpool shows moderate rise

By Karen Zagor in New York

WHIRLPOOL, the second largest US home appliance maker, yesterday reported a moderate increase in second-quarter earnings on dramatically higher revenues, reflecting the company's majority stake in the appliance business of Philips of the Netherlands.

Xerox on target with 7% rise

By Karen Zagor in New York

XEROX, the US copying and duplicating machines group, reported a 7 per cent increase in second quarter profits and said the results indicate it is on target to achieve its goals this year, Reuters reports.

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Notice of Partial Redemption to Holders of Domus Mortgage Finance No. 1 PLC £100,000,000 Mortgaged Backed Floating Rate Notes Due 2014

BCED Directors' Recommendation and Directors' Circular relating to the Offer by a wholly-owned subsidiary of Olympia & York Developments Limited

GENERALI 1988 HIGHLIGHTS 1988 CONSOLIDATED STATEMENT

FT GUIDE TO WORLD CURRENCIES

The table below gives the latest available rates of exchange (rounded) against four key currencies on Monday, July 31, 1989. In some cases the rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are used.

Table with columns: COUNTRY, £ STG, US \$, D-MARK, YEN (x 100), and sub-columns for each currency. Lists various countries and their exchange rates.

Special Drawing Rights July 28 1989 United Kingdom £1.25631 United States \$1.26107 Germany West D Mark 2.40444 Japan Yen 178.775 European Currency Unit July 31 1989

Abbreviations: (a) Buying rate; (b) Banknote rate; (c) Commercial rate; (d) Controlled rate; (e) Essential imports; (f) Financial rate; (g) Export; (h) Non commercial rate; (i) Business rate; (j) Forward rate; (k) Money rate; (l) Official rate; (m) Preferential rate; (n) Concessional rate; (o) Parallel rate; (p) Selling rate; (q) Tourist rate; (r) Some data supplied by Bank of America, Economist Department, London Trading Centre. Enquiries: 01 634 4360/5. Monday, July 31, 1989.

INTERNATIONAL CAPITAL MARKETS

Junk bond yields 'offset default risk in recession'

By Norma Cohen THE HIGH yields on junk bonds providing sufficient returns to investors to make holding a well-diversified portfolio worthwhile, even under recessionary economic conditions, according to a recent study commissioned by a group of junk bond issuers...

Euromarket growth slows sharply

By Katharine Campbell THE INTERNATIONAL bond market is growing at significantly reduced rate, according to a recent report published by Salomon Brothers, the US securities house...

FT INTERNATIONAL BOND SERVICE

Table listing international bond yields for various countries and currencies, including US Dollar, Deutsche Mark, Swiss Franc, and others. Includes columns for bond type, yield, and price change.

TRADE INDEMNITY THE CREDIT RISK MANAGERS 01-739 4311 SPECIALIST EXPORT FINANCE

George D. Gould former Undersecretary of the U.S. Treasury Department has joined our firm as Vice Chairman August 1, 1989 Klingenstein, Fields & Co., L.P. 787 Seventh Avenue New York, NY 10019-6016 Tel: (212) 492-7000 Facsimile: (212) 492-7007

DIAMOND CAPITAL LTD Registered office: 80 Broad Street, Montserrat, Republic of Liberia. Notice of Meeting. A special meeting of shareholders of Diamond Capital Ltd. will be held on August 21, 1989 at 11.00am at the office of Freshwater Trust Limited, 18, Seaton Place, St. Helier, Jersey (Channel Islands). The meeting is called by order of the Board of Directors of Diamond Capital Ltd. for the purposes herein set forth:

IRELAND The Financial Times proposes to publish this survey on: August 25th 1989 For a full editorial synopsis and advertisement details, please contact: Gillian King on 01-873 4823 or write to her at: Gillian King, Southwark Bridge, London SE1 9HL

UNIT TRUSTS The Financial Times proposes to publish this survey on: 14 October 1989 For a full editorial synopsis and advertisement details, please contact: on 01-873 4181 or write to him at: Number One Southwark Bridge London SE1 9HL

BASE METALS The Financial Times proposes to publish this survey on: 2nd October 1989 For a full editorial synopsis and advertisement details, please contact: Edward Macquisten on 01-873 3300 or write to him at: Number One Southwark Bridge London SE1 9HL

SWISS FRANC STRAIGHTS: 100 92.50 100.00 0.00 0.00 0.00. AUSTRIAN SCHILLING: 100 13.76 13.76 0.00 0.00 0.00. BELGIAN FRANC: 100 65.48 65.48 0.00 0.00 0.00. DUTCH GILDER: 100 2.20 2.20 0.00 0.00 0.00. FRENCH FRANC: 100 6.55 6.55 0.00 0.00 0.00. GERMAN MARK: 100 2.40 2.40 0.00 0.00 0.00. ITALIAN LIRA: 100 1.93 1.93 0.00 0.00 0.00. JAPANESE YEN: 100 178.77 178.77 0.00 0.00 0.00. POUND STERLING: 100 0.75 0.75 0.00 0.00 0.00. SPANISH PESAETA: 100 166.67 166.67 0.00 0.00 0.00. SWEDISH KRONA: 100 4.76 4.76 0.00 0.00 0.00. SWISS FRANC: 100 2.00 2.00 0.00 0.00 0.00. US DOLLAR: 100 1.00 1.00 0.00 0.00 0.00.

INTERNATIONAL CAPITAL MARKETS

US Treasuries sustain earlier rally

By Karen Zagor in New York and Katharine Campbell in London

US TREASURY bonds extended their previous week's rally in a market which remains bullish after last week's indications that the Federal Reserve has eased monetary conditions.

In mid-session trading the

BENCHMARK GOVERNMENT BONDS

Coupon	Red Date	Price	Change	Yield	Week 99	Month 99
UK GILTS						
9.750	8/22	107.09	+0.92	10.70	10.94	11.39
9.750	1/26	98.20	+1.32	9.99	10.24	10.59
9.000	10/06	98.20	+4.32	9.15	9.34	9.56
US TREASURY						
9.125	8/22	108.94	+0.32	7.83	8.05	8.09
8.875	8/27	110.14	+1.62	7.85	8.14	8.06
JAPAN						
No 111	4.900	9/28	97.2880	+0.287	5.05	5.18
No 2	2.07	10/25	97.2857	+0.429	4.53	4.62
GERMANY						
7.000	2/29	102.6500	+0.180	6.81	6.98	6.71
FRANCE						
BTAN	8.000	1/24	98.0003	+0.284	8.53	8.75
CAT	8.125	8/28	98.3900	+0.210	8.38	8.53
CANADA						
10.250	12/08	108.1750	+0.205	8.24	8.37	8.30
NETHERLANDS						
7.000	3/29	100.2000	+0.270	6.97	7.09	7.14
AUSTRALIA						
12.000	7/29	92.7651		13.39	13.48	13.47

London closing, "denotes New York morning session."
Yield: Local market standard. Prices: US, UK in 32nds, others in decimal
Technical Data/ATLAS Price Source

GOVERNMENT BONDS

Treasury's bellwether 30-year bond was up $\frac{1}{2}$ point at 110 $\frac{3}{4}$, yielding 7.94 per cent. Before last Friday, the yield on the long bond had not fallen below 8 per cent since April 1987.

The Fed conducted overnight matched sales yesterday, indicating it considered the Fed funds rate to be too low. The funds were at 8 per cent when the Fed arranged the sales.

The bond market rally came in spite of a weakening of the dollar, which at midday trading at Y187 and DMI 8555 in New York, well below its Friday close of Y189.20 and DMI 8515.

Leading commercial banks lowered their prime lending rate yesterday by $\frac{1}{2}$ point to 10.5 per cent.

In the cash market, the 10-year 8 $\frac{3}{8}$ per cent tap stock closed to yield 8.37 per cent.

Dealers said they were pressing for a tranche of the 30-year stock to be issued at Thursday's midday auction, instead of the scheduled 15-year paper.

THE German market moved up modestly, but how much it

has been outpaced by the US Treasury rally can be read in the spreads, the narrowest for more than two years. With Treasuries barely 150 basis points over bunds they are at levels not seen since March 1987. The spread since then has averaged about 225 basis points.

At the official firings, bunds were up to 30 pennings higher, with the recent federal 6 $\frac{3}{8}$ per cent 10-year bond fixed to yield 6.60 per cent, at 101.05, compared with 100.75 on Friday.

THE Dutch market breached a key resistance level on the benchmark state loan, which yesterday fell through the 7.00 per cent barrier to yield 6.90 per cent. Thus the spread over bunds has tightened to about 30 basis points.

UK gilt-edged securities rose in tone with other bond markets in early trading, but profit-taking ensured the market closed only a fraction stronger on the day. The September bond contract closed at 97 $\frac{1}{4}$, a stronger than Friday.

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Managers forecast pick up after quiet day

By Andrew Freeman

EUROBOND MARKETS had one of their quietest days of recent weeks yesterday, with traders reporting limited activity. Behind the scenes, however, syndicate managers were working to try to bring issuers

NEW INTERNATIONAL BOND ISSUES

Amount in m.	Coupon %	Price	Maturity	Fee	Book runner
150	8 $\frac{1}{2}$	101 $\frac{1}{2}$	1994	1 $\frac{1}{4}$	Nomura Int.
70	7 $\frac{1}{2}$	100	2000	25bp	Morgan Stanley Int.
400	(4 $\frac{1}{2}$)	100	1989	1 $\frac{1}{2}$	Nomura Int.
200	(4 $\frac{1}{2}$)	100	1988	1 $\frac{1}{2}$	Yamachi Int.(HK)
300	(4 $\frac{1}{2}$)	100	1994	1 $\frac{1}{4}$	Banque Paribas
1bn	6 $\frac{1}{2}$	101 $\frac{1}{2}$	1989	1 $\frac{1}{4}$	CCF
300	11 $\frac{1}{4}$	101 $\frac{1}{2}$	1994	1 $\frac{1}{4}$	WestLB
10bn	6.5	100.80	1990	1/2	Yamachi Int.

were not swapped, with borrowers apparently pleased to lock in funds for historically low fixed costs of below 9 per cent.

Elsewhere, Nomura International brought a \$150m five-year bullet-maturity deal for Kingdom of Denmark to a better-than-average reception. Denmark has been an infrequent borrower in this sector, previously tapping the market in April last year for \$150m via Mitsubishi Finance.

Yesterday's bonds offered an 8 $\frac{3}{8}$ per cent coupon and were priced at 101 $\frac{1}{2}$ to yield 6.3 basis points over Treasuries, a spread which new-issue traders said was correct.

Sales into Europe and the Middle East were reasonably strong and the deal was pricing at least 1 $\frac{1}{4}$ bid, inside full underwriting fees of 1 $\frac{1}{4}$ per cent.

The proceeds were swapped, but the lead manager declined to elaborate.

The \$400m European tranche of a Japanese equity warrant deal launched for Missin Steel by Nomura International made a strong debut, trading up to 106 $\frac{1}{2}$ bid, a stunning premium to the par issue price.

Missin also launched a convertible deal in Switzerland via Banque Paribas: The SF300m five-year deal offered an indicated coupon of $\frac{1}{2}$ per cent and a yield to put of 4.039 per cent. In spite of quiet market conditions in Switzerland, the lead manager described a good reception and was quoting the paper at less than 1 $\frac{1}{4}$ bid.

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Almac's Inc.
has been acquired by
an affiliate of
The Yucaipa Companies
The undersigned initiated this transaction and acted as financial advisor to Almac's Inc.

C. J. Lawrence, Morgan Grenfell Inc.
New York

MORGAN GRENFELL
New York London Frankfurt Milan Hong Kong Geneva Madrid
Tokyo Mexico City Singapore Sydney Taipei

July 27, 1989

U.S. \$100,000.00
FIDELITY FEDERAL
SAVINGS AND LOAN ASSOCIATION

Collateralized Floating Rate
Notes Due 1992

Interest Rate **8 $\frac{15}{16}$ per annum**

Interest Period **31st July 1989 to 31st October 1989**

Interest Annual per U.S. \$100,000 Note due **31st October 1989 U.S. \$2,284.03**

Credit Suisse First Boston Limited
Agent Bank

I.G. INDEX LTD, 9-11 GROSVENOR GARDENS, LONDON SW1W 0BD
Tel: 01-828 7233/5699 An AFB member Reuters Code: IGIM, IGIO

FT 300 Jul. 1918/1927 -16
FTSE 100 Jul. 2304/2314 -12
WALL STREET Aug. 2630/2642 N/C
SEP. 1931/1940 -15 Sep. 2320/2330 -12
SEP. 2640/2652 N/C

Prices taken at 5pm and change is from previous close at 9pm

Simmer and Jack Mines Limited
(Incorporated in the Republic of South Africa)
Registration number: 87/77/78

Interim report

Interim report for the 6 months ended 30 June 1989
Report of directors for the 6 months ended 30 June 1989
The unaudited results of the company and its subsidiaries for the above period are as follows:

	6 months ended 30 June 1988	6 months ended 30 June 1989	Year ended 30 June 1988
Turnover	4 884	3 988	6 988
Operating profit	1 298	2 885	4 064
Interest income	891	629	1 380
Profit before taxation	2 189	3 514	5 444
Taxation	(458)	(236)	(820)
Profit after taxation	1 731	3 278	4 624
Retained earnings at 1 January	5 058	8 628	9 638
Date payable income	10 587	10 769	10 100
Dividends	(1) 193	(1) 193	(1) 193
Retained income at 30 June	6 386	10 769	10 769
Earnings per share (cents)	6.8	16.8	16.8

Notes:
1. Shareholders: It is anticipated that the results from the Simmer and Jack Project will be lower than the previous financial year as a result of the plant only having started.
2. Interest paid: Accrued interest for the long-term loan.
3. Asset sales: Your company has decided to consolidate its position in the field of property development, although there are several proposals that will be pursued in the second half of this financial year.

Simmer and Jack Project
Results for the six months period are as follows:

	6 months ended 30 June 1988	6 months ended 30 June 1989	Year ended 30 June 1988
Sand treated	1 977	1 028	2 330
Oil milled	(1) 48	(1) 48	(1) 48
Acid production	2 515	2 318	2 515
Gold production - kg	703	632	1 504
Unit cost - R/A	31.53	28.51	30.24
	R2000	R1000	R2000
Revenue	24 150	27 150	50 828
Wearing costs	(22 685)	(23 881)	(46 224)
Operating profit	1 465	3 269	4 604
Royalties paid to Simmer and Jack	(988)	2 358	2 608
Capital expenditure	1 377	433	560

For and on behalf of the board
Director: J. H. M. van den Heever
Secretary: P. O. Erasmus
28 July 1989

Registered office: 3rd Floor, MIM House, 100 Riverside Road, Sandton, South Africa.
Share transfer secretaries: Unidrey Registrars Limited, 600 President Street, Johannesburg, 2001.
Auditors: PricewaterhouseCoopers

THE BANK OF NOVA SCOTIA
(A Canadian Chartered Bank)

£100,000.00
Floating Rate Debentures 2000
Issue Price 100.10 per cent.

For the three months 31st July, 1989 to 31st October, 1989 the Debentures will bear an interest rate of 13.975% per annum and the coupon amount per £10,000 denomination will be £352.25.

Agent Bank
Samuel Montagu & Co. Limited

Index	Monday July 31 1989	Fri Jul 28	Tue Jul 27	Wed Jul 26	Year ago (approx.)	
1 CAPITAL GOODS (29)	2992.24	-4.5	16.74	4.05	11.42	1987.25
2 CONTRACTING, CONSTRUCTION (37)	3215.85	-4.4	12.14	4.36	10.26	25.92
3 ELECTRICS (9)	2341.47	-0.1	7.95	3.91	15.56	2228.74
4 MECHANICAL ENGINEERING (65)	2242.74	-0.9	8.58	3.31	15.22	48.86
5 METALS AND METAL FINISHING (32)	543.78	-4.6	8.43	3.89	12.59	1.57
6 MOTORS (7)	369.51	-0.1	10.29	4.22	11.41	6.83
7 OTHER INDUSTRIAL MATERIALS (23)	3489.83	-0.6	9.17	4.15	13.02	33.56
8 CONSUMER GROUP (186)	1325.09	-0.2	8.27	3.22	15.19	28.36
9 BREWERS AND DISTILLERS (22)	1463.71	-0.7	9.27	3.37	17.36	29.59
10 FOOD MANUFACTURING (20)	1177.52	-0.4	8.43	3.47	14.84	20.55
11 FOOD RETAILING (14)	2335.22	-0.6	7.96	2.72	16.41	32.27
12 HEALTH AND HOUSEHOLD (14)	2379.46	-0.2	6.19	1.73	19.83	22.24
13 LEISURE (33)	1175.13	-0.1	7.17	3.17	17.36	29.59
14 PACKAGING & PRINTING (15)	601.25	-1.0	8.75	4.32	12.85	9.11
15 STORES (34)	5797.28	-0.1	1.57	4.38	15.40	72.55
16 TEXTILES (15)	3158.21	-0.9	10.71	5.29	11.18	15.86
17 OTHER GROUPS (96)	1155.34	-0.7	9.75	4.81	12.17	20.59
18 AGENCIES (17)	1479.53	-0.8	7.18	3.28	17.34	18.99
19 CONGLOMERATES (13)	1311.14	-0.8	11.28	4.73	10.93	28.82
20 TRANSPORT (13)	2475.45	-0.3	8.48	3.64	13.32	39.22
21 TELECOM NETWORKS (2)	2010.88	-1.7	8.11	2.95	13.85	29.88
22 OTHER INDUSTRIAL GROUP (46)	1217.84	-0.6	9.35	3.67	15.22	28.83
23 OIL & GAS (13)	1428.79	-0.4	9.84	5.18	13.52	64.24
24 500 SHARE INDEX (500)	1297.94	-0.4	9.41	3.86	13.26	24.38
25 FINANCIAL GROUP (12)	783.54	-0.8	5.98	1.87	7.85	17.43
26 BANKS (9)	783.25	-0.9	22.06	6.28	5.96	23.46
27 INSURANCE (LIAB) (8)	1177.11	-0.2	6.57	2.57	11.89	11.79
28 INSURANCE (ASSETS) (7)	627.40	-0.6	7.03	2.63	17.46	31.63
29 MERCHANT BANKS (10)	371.13	-0.3	4.27	1.73	30.71	368.37
30 PROPERTY (52)	1374.90	-0.1	6.13	2.85	28.75	17.86
31 OTHER FINANCIAL (31)	3719.78	-0.3	11.19	5.78	11.40	9.61
32 INVESTMENT TRUSTS (69)	1223.47	-0.3	8.85	3.72	13.64	18.45
33 OVERSEAS TRADING (8)	688.48	-0.1	9.85	5.02	11.90	43.33
34 ALL-SHARE INDEX (703)	1175.25	-0.3	8.02	3.22	11.76	22.73
35 FT-SE 100 SHARE INDEX	2297.01	-0.8	2519.91	2297.01	2282.71	2264.51

LONDON MARKET STATISTICS

FT-ACTUARIES SHARE INDICES
These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

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UK COMPANY NEWS

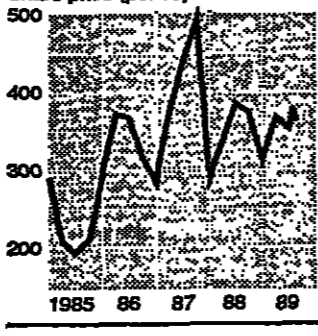
Share price falls as directors issue warning of stagnation in US and UK markets Lex Service edges ahead 5% to £36.8m

By John Thornhill

SHARES IN Lex Service, the vehicle and electronic components distributor, yesterday fell 14p to 368p as the directors expressed caution over current trading together with the announcement of virtually static interim profits.

were 11 per cent higher at £38.8m (£33m), but a higher interest charge of £7.3m (£4.1m) checked profits at the taxable level.

Lex service group



47,700 vehicles. But Lex said it was feeling the effect of higher interest rates and lower residual values on used cars.

The electronic component distribution business pushed up trading profits from £5.2m to £5.4m on turnover 17 per cent ahead at £241.5m (£206.8m).

distribution business would affect second half profits. The poor returns on both the electronics and computer systems businesses once again raised the question of whether they are worth the struggle.

Polygram to purchase Island Records

By John Riddling in London and David Brown in Amsterdam

POLYGRAM, the record industry subsidiary of Philips, the Dutch electronics group, is expected to announce today that it is buying Island Records, one of the world's largest independent record companies.

Blacks Leisure bids £32m for Goldberg

By Nikki Tait

A £32m BID battle broke out yesterday between Blacks Leisure, the sports and leisurewear retailer and a former film-fixer in the bull market, and A Goldberg, the Glasgow-based fashion retailer.

In the bull market, it used its highly-rated paper to make a series of acquisitions, adding a number of sportswear and textile businesses to the core camping shops chain. Its shares rose from as little as 1 1/4p to almost 50p before dropping sharply just before and after the 1987 crash.

Crystalate sees second-half fall

By Phillip Coggan

CRYSTALATE HOLDINGS, the electronics components company, yesterday made its second profits warning in two years when it indicated that its second half results would be significantly below expectations.

pared with £5.7m in 1987-88. Yesterday, analysts were downgrading their forecasts for the year to September 30 to between £3m and £3.5m.

that poor demand in the US automotive and computer peripherals markets affected its IRC US subsidiary. Mr Eade said he did not expect the US market to improve soon.

Bank of Ireland sells \$40m Mexican debt

By Stephen Fidler, Euromarkets Correspondent

THE BANK OF Ireland said yesterday it had sold \$40m (£24m) of Mexican sovereign debt, reducing its Latin American loan book to a mere \$4m and its sovereign debt exposure to all rescheduling countries to \$27m.

Blackwood Hodge US purchases

Blackwood Hodge, the earthmoving and mining equipment distributor, has purchased two dealerships in North America, writes Nick Garnett.

ADDISON DESIGN DIVISION SOLD TO MANAGEMENT

Table with 6 columns: Current payment, Date of payment, Corres. pending dividend, Total for year, Total last year.

ADDISON CONSULTANCY, the market research group, has completed protracted negotiations for the sale of the design division to its management for \$5m.

Royal Bank plans issues to strengthen capital base

By David Lascelles, Banking Editor

THE ROYAL BANK OF Scotland Group is proposing a series of steps to strengthen its capital base.

Pearson buys French medical publisher

By John Riddling in London

Pearson, the publishing, banking and industrial conglomerate which owns the Financial Times, is expanding its medical publishing interests in France through the acquisition of a 75 per cent stake in the Tomus group for £1.35m.

DRG selling in NZ

By John Riddling in London

DRG, the stationary and packaging group, is selling its New Zealand Canon business machine operations.

North Sea Assets losses trimmed

By John Riddling in London

North Sea Assets, an investment holding company specialising in oilfield support services, has trimmed its losses of \$90,000 in the six months to March 31 1989.

Blackwood Hodge US purchases

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CORPORATE ENTERTAINMENT advertisement featuring The Financial Times proposes to publish this survey on: 12th September 1989. For a full editorial synopsis and advertisement details, please contact: Wendy Alexander on 01-873 3524/4893.

At the height of Addison's problems last June the company's financial, legal and stock broking advisers resigned during a boardroom coup about the terms of the design company buy-out.

COMPANY NEWS IN BRIEF

ANGLO UNITED has received acceptances representing 59.8 per cent of Coalite, its bigger competitor in the fuel distribution business. Last Friday the company announced that it held slightly over 50 per cent following the revised offer of 47.5p cash per share or a cash and shares alternative.

MONTHLY AVERAGES OF STOCK INDICES

Table with columns for Financial Times, Government Securities, Fixed Interest, Ordinary, Gold, S&P 500, etc. with monthly data for July, June, May, Apr.

ENERGY INTERNATIONAL N.V.

Shareholders in the Fund are advised that payment of a dividend of US\$2.00 per share for the year ended 31st March, 1989, has been approved by the Annual General Meeting held on 31st July, 1989.

LONDON SECURITIES advertisement with bar chart showing Pre-tax Profits (£m) and Earnings per share (p) for 1987, 1988, 1989.

Souza Cruz doubles net profit to £63m

Souza Cruz, the 75 per cent owned subsidiary of BAT Industries, one of Brazil's largest companies, yesterday said net profit for the six months to June 30 more than doubled to £63m using current conversion rates.

BOSCOMBE PROPERTY

Gross rental income £574,374 (£529,767) and pre-tax profits £52,375 (£108,897) for year to March 31. Earnings per share 85.14p (£82.5p).

JACOBS (JOHN D)

Turnover for first half of 1989 was £1.92m (£1.57m) and pre-tax profit £614,000 (£289,000). Earnings 1.95p (£1.21p) and interim dividend 1.6p (£1.00p).

NOTICE TO THE HOLDERS OF XEROX CREDIT CORPORATION

US DOLL 125,000,000 10 PERCENT NOTES DUE JUNE 21, 1989. Notice is hereby given that the fiscal and paying agency agreement relating to the above mentioned notes was amended on July 21, 1989 to change the denomination of the Notes from US DOL 5,000 to US DOL 1,000 and US DOL 10,000.

UK COMPANY NEWS

Seven buys help Excilibur show 82% expansion

By John Thornhill

BOOSTED by seven acquisitions, Excilibur Group, the Birmingham-based jewellery, precision engineering, and merchantising company, increased pre-tax profits by 82 per cent to £2.73m in the year to April 30.

This compared with the £1.5m achieved in the previous year, although that figure was restated to include several of the acquisitions on a merger accounting basis.

Mr Michael Griffiths, chairman, said Excilibur had been transformed over the last two years from a loss-making company into a dynamic and profitable group. In the last year turnover nearly doubled to £28.02m (£14.98m).

The jewellery division, which forms the bulk of the group, contributed 51 per cent of operating profits. Mr Richard Griffiths, the managing director and brother of the chairman, said: "We see the jewellery business as a highly fragmented industry. Barriers set about the retailing side and we are doing the same on the supply side."

The company cited estimates that the total jewellery market would increase by 60 per cent between now and 1992. The supply side was currently worth about £750m. "We would

like to have 10 per cent of that market and the opportunity to grow our market is very substantial indeed."

However, Excilibur was also developing its precision engineering business partly to lessen its exposure to the jewellery market which it claimed was tied to the unpredictable gold price.

Excilibur's engineering activities contributed 19 per cent of operating profits. Supplies of components to Rolls-Royce, including fuel valves for the RB211 aero-engine, accounted for about 60 per cent of the division's output, but it also supplied components for the atomic industry, the Ministry of Defence and Vickers.

"Our order book has never been so full and our strategy of diversifying would seem to be paying off," Mr Richard Griffiths said.

Excilibur's merchandising interests, which include supplying leisure goods to motorway service stations, accounted for 30 per cent of trading profits. Turnover grew rapidly from £2.3m to £2.84m.

A final dividend of 0.75p is proposed to make a total of 1p (0.65p). Earnings per share rose to 6p (3.42p).

Fighting against the stormy waters of the Solent

Andrew Hill assesses the task facing Sally UK in its efforts to take over the Red Funnel Line

IMAGINE piloting a hydrofoil across the Solent during Cowes Week while simultaneously fighting off a hostile takeover bid.

It is the busiest week of the year for Red Funnel Group. But for once the directors of Southampton Isle of Wight and South of England Royal Mail Steam Packet, to give the company its splendid full name, will have other ships on their minds.

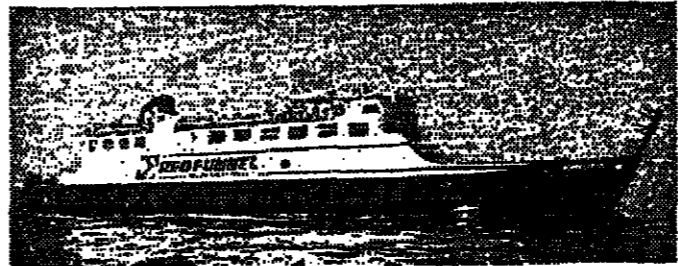
Today is the first closing date for the hostile offer from Scandinavian-owned Sally UK Holdings, which runs the Ramsgate-Dumfriesshire ferries. For the time being Red Funnel's shareholders, many of them local residents, are expected to ignore the approach. Sally aims to acquire 51 per cent of the company and its stock market listing, but at 200p in cash, the offer is well short of the market price of 220p per share.

But if Sally lifts its offer, the tiny bid should raise some much larger questions, testing local loyalties and pitting old against new.

Red Funnel is old. Housed in a cluster of small, panelled offices a pebble's throw from Southampton harbour, the company has run ferries to the Isle of Wight since 1861, a business which generates a third of Red Funnel's profits. Of the rest, half comes from Red Funnel's fleet of six tugs operating in Southampton, and half from a road haulage and warehouse business on the Isle of



Michael Wilkinson: heading the local Red Funnel team.



Wight and the mainland.

Profits have been choppy recently, but the company argues that new management — headed by Mr Michael Wilkinson who took over as chairman in 1988 — and a new attitude have seen off the squalls. Later this year, Red Funnel plans to commit some £7m or £8m to the purchase of a new ferry and a faster vessel to supplement the hydrofoil service.

There are promises of computerisation for the ticket service and modernisation of terminal facilities on both sides of the Solent.

Red Funnel is also the local player. About 42 per cent of its shareholders are individuals, many of them entitled to free or discounted travel on the service, a perk which Sally has offered to maintain for those accepting its cash offer. But there are disadvantages to the local connection: some believe Red Funnel has been too comfortable for too long.

Sally is the new boy from out of town. Mr Michael Kingshott, the company's entrepreneurial managing director, made a personal fortune in the 1970s importing Japanese cars through Sheerness in Kent.

His family still owns a haulage company, Sheertrunk, but in 1980 he was taken on by Sally to assess the feasibility of running a new ferry service across the English Channel.

The company's parents are Etra-Finland Steamship, a quoted Finnish group, and Johnson Line, part of the Swedish industrial conglomerate Nordstjernan Group.

Mr Kingshott refers to them as "Mummy", in a way which implies he would like to untie the apron-strings.

Since 1981, Mr Kingshott has built a new all-weather port in Ramsgate from scratch, set up



Michael Kingshott: new boy from out of town.

a larger share of that lucrative market, currently dominated by Sealink which plies between Portsmouth and Ryde.

"We'd be buying a captive market, which we can build on rather than taking a more painful route building up the goodwill," says Mr Kingshott, who would also use package holidays to exploit the service.

His plans would probably require a combination of larger vessels, deeper harbours and major waterfront redevelopment at both ends of the journey. They are all projects which Sally planned or achieved on the Ramsgate-Dumfriesshire route, but Southampton-Cowes may prove a more difficult proposition.

At the Southampton end, Mr Kingshott may not have helped matters last week by criticising Associated British Ports in the local press for favouring property development above shipping. ABP owns Southampton harbour, a part of which is leased to the ferry line.

Mr Kingshott would need to negotiate with the group if he wanted to build an integrated ferry and leisure terminal on the waterfront — as he intends to do in Ramsgate.

As for redeveloping Red Funnel's two freehold sites in Cowes, one need only see the waterfront and arrayed in all their regatta finery, to realise the scale of the task Mr Kingshott may have set himself.

Sellar takes option over FSM stake

By Claire Pearson

MR IRVINE SELLAR has acquired an option to buy a large stake in Ford Seller Morris Properties, the fast-growing property group of which he is chairman, from Mr Mel Morris, a non-executive director.

The option is to buy (before October 15) 7.6m shares at 200p each, which compares with yesterday's closing price of 157p.

Shares in Ford Seller Morris, which in June launched an £24m cash offer for fellow property group Brookmount, have risen sharply in recent weeks.

They stood at around 115p before the company unveiled better-than-expected taxable profits of £1.15m for the year to April 30.

Putting together the shares Mr Sellar holds, has voting rights over, or has an option over, his stake in the company amounts to 48.34 per cent.

Confidence at Spong despite loss

ACTION TAKEN by the new board at Spong Holdings is beginning to have an impact on the group's financial performance, and by the year end there should be an improving picture, according to Mr PR Lever, the new chairman.

The £4m injection last May by a consortium eliminated bank borrowings and created sufficient reserves which were currently on deposit. By the autumn the board intends to have disposed of remaining non-core businesses, generating further cash reserves.

For the half year to April 30 1989 there was an attributable loss of £1.06m, compared with £51,000 in 1988 and with £3.68m for the whole of 1987-88.

There was an operating loss of £245,000 (£79,000) from sales of £7.9m (£9.7m) relating to continuing activities. There was an extraordinary charge of £315,000 associated with the overall reorganisation and formulation of the new policies of the changed board. Losses per share were 0.19p (0.31p).

Hotels buy for AC Holdings

By John Ridding

AC HOLDINGS, the financial services and hotels group, is to acquire four European hotels from subsidiaries of Ladbroke Group, for a total consideration of £12.58m.

The acquisitions, which will be made through AC's Principal Hotels subsidiary, comprise two leasehold hotels in Copenhagen, a leasehold hotel in Amsterdam and a freehold hotel in Noordwijk, a Dutch coastal resort.

In addition, Principal Hotels has purchased an option to acquire the Parkhotel in Amsterdam from the owners of

its freehold, for £280,000.

Mr William West, chairman, said the acquisitions reflected the company's strategy of increasing its asset base. He said that the company had moved into hotels to reduce its dependence on the cyclical business of stockbroking and that Principal Hotels now represented the bulk of the group's activity.

The combined profits before interest of the Ladbroke hotels were £1m for the year to the end of December 1988, before deduction of an extraordinary loss of about £100,000.

The net book value of assets of these hotels stood at about £7.5m at the end of June 1988. Jones Lang Wootton has valued the interests in the hotels at £13.15m on an open market basis.

Following the acquisitions, Principal will manage nine hotels, five of which are in the UK. The four new European hotels were originally acquired by Ladbroke as part of its acquisition of Comfort Hotels but were not re-traded following its subsequent acquisition of Hilton International in 1987.

The issue of new shares was made possible by a restructuring of the capital, following the introduction of new management, whereby the accumulated arrears of preference dividends was cancelled.

Mr Avery said that "following my appointment much has been done to tackle the problems facing the company. However, the benefits will not be reflected until the second half."

He expected the company to be profitable for the whole year.

Acquisitions by WB as losses rise

By John Ridding

WB INDUSTRIES, the Midlands-based manufacturer of springs and pressings, announced two acquisitions and increased losses for the six months to the end of June.

The results are the first since the company came under new management in April.

Mr Graham Avery, the new chairman, said pre-tax losses of £317,000 for the first half compared with £34,000 last time reflecting substantial trading losses in the opening quarter.

Included was an exceptional payment of £75,000 to Mr David

Cooper-Smith, the former chairman, on the termination of his service agreement.

Turnover fell from £2.04m to £1.49m. Losses per share increased from 0.07p to 6.34p and there is no dividend.

The acquisitions comprise Doric, a manufacturer and distributor of bedding springs, and Bertmin, a maker of coil springs in the engineering and electrical industries.

Combined cost will be £2.3m to be satisfied through a placing and open offer of a total of 3.67m new shares at 70p each.

Evered expansion

Evered has acquired three aggregates businesses, Truckcrete, Diamond Gravel and Gifford Gravel, all based near Edinburgh.

Consideration of £800,000 comprises £600,000 cash and the issue of 83,186 Evered shares. The companies will become part of John Pyfe, Evered's quarry and quarry products group which is based in Scotland.

BBB Design rises to £554,000

The USM-quoted BBB Design Group recovered in the second half to produce pre-tax profits of £554,000 for the year ended April 30 1989.

This compared to £513,000 pre-tax in the previous year.

Turnover improved to £2.68m (£2.52m).

The graphic design, publishing and marketing divisions all improved their profitability.

Further growth in these

areas is expected in the current year.

The computer related division had borne the non-recurring losses at Database Information Services and could look to increase profitability and the release of management resources for further development.

Earnings were 4.32p (4.14p) and the dividend is increased to 1.75p (1.5p).

Evered expansion

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Pearl benefits from boom in personal pensions

By Eric Short, Pensions Correspondent

THE PERSONAL pensions boom in the final weeks of the 1988-89 tax year enabled the Pearl Group to record a 15 per cent rise in annual premiums, from £28.95m to £33.09m, and a 50 per cent growth in single premiums, from £57.41m to £86.5m, in the first half of this year.

Pearl, with its strong direct sales force, sold 90,000 personal pension policies in the period, of which 75,000 were effected before April 6. Total new annual premiums amounted to £24.25m and single premiums to £27.33m.

This brought the total number of personal pension contracts sold since their introduction a year ago to 157,000 — almost five per cent of the market. Financial company reports considerable continued interest in personal pensions beyond the ending of the tax year.

The group had considerable success in other pension sales,

particularly in contracts for employees transferring out of company pension schemes which accounted for £26.09m of single premiums, against £18.13m last year.

Pearl recorded a one-third rise in new annual premiums from conventional ordinary branch contracts from £6.31m to £8.42m. This partially offset a 30 per cent decline in industrial branch business from £15.67m to £10.62m.

Sovtransvo will also provide staff and depot facilities and help Tiphook smooth the way at ministerial level. The UK group will offer investment, trailer rental and marketing expertise and help develop spare part control and purchasing.

CTR — which already rents to Sovtransvo from the UK, West Germany, the Netherlands and Finland — will provide trailer rental to the company in 10 west European countries and hopes the deal will boost rental volumes.

Burston-Marsteller purchase

Burston-Marsteller, the international public relations

NEWS DIGEST

Soviet joint venture for Tiphook

TIPHOOK, the UK container rental company involved in a joint bid for Sea Containers, has set up a joint venture company to introduce trailer rental to the Soviet Union, writes Andrew Hill.

Central Trailer Rentco (CTR), Tiphook's trailer rental subsidiary, has signed two agreements with Sovtransvo, the Russian road transport company which will supply inside knowledge of its domestic market.

Merrydown 13% ahead at £1.68m

A 13 per cent advance in pre-tax profits from £1.43m to £1.68m was announced by Merrydown Wine, USM-quoted cider producer, for the year to March 31 1989. Turnover rose from £11.98m to £13.13m.

A final dividend of 5.6p (4.44p adjusted) is recommended for a 6.5p (5.33p) total. Earnings worked through at 22.17p (20.15p) per share.

Forminster advances on reduced turnover

Despite difficult market conditions, Forminster improved its pre-tax profit by almost 7 per cent in the year ended April 30 1989.

The group, which manufactures and sells outer clothing, made £2.13m (£1.93m) from a

reduced turnover of £19.28m (£20.35m).

Market conditions were difficult in the UK where retailers reported poor results generally, and the directors said it was difficult to see a substantial change in conditions over the short term. However, they were cautiously optimistic of another satisfactory year.

Earnings for 1988-89 were 38.99p (34.78p) and the dividend is raised to 9p (8.1p) with a final of 6.25p.

Holders static at £285,000

In difficult trading conditions, Holders Technology held pre-tax profit at £285,000 in the half year ended May 31 1989, compared with £282,000.

Turnover of this USM-quoted distributor of tools and equipment to the printed circuit board industry, came to £1.41m (£1.44m). It held its position in what had so far been a soft UK market, while sales in Germany, Switzerland and Austria were developing satisfactorily.

Earnings came through at 6.15p (6.68p) in the half year, and the interim dividend is again 2p. However, the cost of such goes up to £60,000 (£21,000) as Mr Weinreich gave a waiver on his personal holding in 1988.

Lower farm incomes hit Sidney C Banks

Although earnings fell from

21.4p to 16.9p per share, directors of Sidney C Banks, the agricultural contractor and merchant, are holding the dividend at 7p for the year ended April 30 1989.

At a time when farm incomes and investment were at their lowest in real terms for some decades, the performance and profits "must be regarded as satisfactory", they claimed.

Turnover advanced to £132.39m (£118.6m) but pre-tax profits fell 15 per cent to £1.8m (£2.16m). The final dividend is 4.875p.

Expanding SMAC at £700,000

The SMAC Group of Essex-based motor dealerships improved pre-tax profits in the first half of 1989, and is paying a maiden dividend — an interim of 1p.

From a reduced turnover of £28.74m (£31.48m) the profit worked through at £702,000 (£668,000), and earnings at 3.56p (3.84p). The comparative turnover included £3.4m from activities discontinued in 1989.

SMAC was continuing its policy of acquiring more franchises. In addition to the acquisition of a Toyota dealership in Norwich, it had last month bought a Renault dealer in Chelmsford.

There was an extraordinary profit of £791,000, representing proceeds from the sale of properties less termination payment made to a retiring director.

PERSONAL COMPUTERS & SOFTWARE

The Financial Times proposes to publish a Survey on the above on
Wednesday, 27th September 1989

For a full editorial synopsis and advertisement details, please contact:

Meyrick Simmonds

on 01-873 4540
 or write to him at:

Number One, Southwark Bridge
 London SE1 9HL.

SHEFFIELD

The Financial Times proposes to publish a Survey on the above on
8th September 1989

For a full editorial synopsis and advertisement details, please contact:

HUGH G WESTMACOTT

Tel: 0532-454969
 Fax: 0532-423516
 or write to him at:
 Permanent House,
 The Headrow, Leeds LS1 8DF

HUNTING GIBSON plc
 (to be renamed Hunting plc)
 (Incorporated in England, Registered No. 974568)

Issue of up to 47,350,826 new 8.25 per cent cumulative convertible preference shares of £1 each in connection with the offers to acquire the whole of the ordinary share capital and listed convertible unsecured loan stock (other than that already owned by Hunting Gibson plc and its subsidiaries) of Hunting Associated Industries plc and Hunting Petroleum Services plc.

Particulars of the new 8.25 per cent cumulative convertible preference shares of £1 each will be available in the Extel statistical service from today and copies of the Listing Particulars may be obtained during usual business hours up to and including 3rd August, 1989 for collection only, from the Company Announcements Office of The Stock Exchange, 46-50 Finsbury Square, London EC2A 1DD and up to and including 15th August, 1989 from:

Hunting Gibson plc,
 Bowater House,
 68 Knightsbridge,
 London SW1X 7LT

J. Henry Schroder Wagg & Co. Limited,
 120 Cheapside,
 London EC2V 6DS

Robert Fleming & Co. Limited,
 25 Cophall Avenue,
 London EC2R 7DR

Lloyds Bank Plc,
 Registrar's Department,
 Goring-by-Sea,
 Worthing,
 West Sussex BN12 6DA

de Zoete & Bevan Limited,
 Ebbgate House,
 2 Swan Lane,
 London EC4R 3TS

1st August, 1989

Nationwide
 £300,000,000
 Floating Rate Notes
 Due 1996

(Second Series)
 (Issued by Nationwide Building Society)

Interest Rate:
 13.955% per annum

Interest Period:
 31 July 1989 to
 31 August 1989

Interest Amount per
 £5,000 Note due
 31 August, 1989: £592.26

Interest Amount per
 £50,000 Note due
 31 August, 1989: £592.61

Agent Bank:
 Baring Brothers & Co. Limited

COMMODITIES AND AGRICULTURE

Ministry names areas of nitrate fertiliser control

By Bridget Bloom, Agriculture Correspondent

BRITAIN'S effort to restrict the use of nitrate fertilisers in the interests of purer drinking water was taken a stage further yesterday with the naming of 12 special zones in which nitrate use by farmers is to be strictly controlled.

The 12 areas which together total 15,500 hectares (38,000 acres) are dotted around the country from Lincolnshire to Wiltshire.

Within the areas farmers may find themselves asked to take measures ranging from a total ban on nitrate use and the substitution of grassland for arable crops to much less rigorous curbs on nitrate or the use of farmyard manure.

Compensation will be paid to farmers in the schemes, which are to be voluntary at first.

In addition, Mr John Gummer, Britain's new Minister of Agriculture, announced a further nine areas, totalling 23,000 hectares, where farmers will be subjected to an intensive campaign to encourage reduced fertiliser use, although without compensation for any resultant loss in production.

Yesterday an agriculture ministry official said the areas had been chosen to test the widest possible range of geological and water source conditions. Each was centred on a major borehole which in turn was in an area described as having water near or above the nitrate limit of 50 parts per million set by the EC.

Individual farmers likely to be covered by the special zones will be contacted over the next few weeks but detailed maps have been deposited with regional ministry offices, the ministry said.

The precise boundaries of

Table titled 'PROSPECTIVE CONTROL AREAS' with columns for Designation as Nitrate Sensitive Area, Approximate area (hectares), and a list of specific areas like Bransdon Booths, Lincolnshire, etc.

the nitrate sensitive areas and the "campaign" areas, as well as the exact conditions which farmers will be expected to fulfil and the compensation they might be paid, will be determined after extensive consultations this autumn with farming, water and other interests," Mr Gummer said.

The ministry hopes to have the NSAs described as pilot schemes, in operation by this time next year. Mr Gummer stressed that the schemes would be voluntary. However, should this not prove effective, the 1989 Water Act, which is preparing the way for the privatisation of Britain's water companies in November, provided for compulsory powers.

Yesterday the National

Farmers' Union said it would co-operate with the Government about the impact of nitrate restriction not only on their farming operations but also on the value of their land.

Clearly farmers are worried about the impact of nitrate restriction not only on their farming operations but also on the value of their land.

The agriculture ministry has indicated that farmers would be expected to sign up for a minimum of five years and possibly much longer in areas where it has been estimated that it could take a decade or two to affect nitrate levels in underground water.

Sharp fall in LME aluminium stocks

By Kenneth Gooding, Mining Correspondent

TRADERS caught unawares by a sharp fall in the London Metal Exchange's aluminium stocks yesterday suggested the metal had been taken by Marc Rich, the large, Switzerland-based commodities house.

The market was also surprised by a rise in LME copper stocks. In the previous few weeks they had fallen steadily and reduced by half.

Some linked Rich's action with a strike at Jamaica's aluminium refinery in Jamaica, jointly owned by Alcoa and the local government.

The Jamaican Government supplies Rich with alumina - the raw material for primary aluminium. Alcoa already has announced cuts in aluminium production because of a sharp shortage of alumina in the past month.

LME aluminium stocks had been rising steadily for some weeks and the fall, of 15,500 tonnes to 131,725 tonnes, at one point helped lift the price to \$1,790 a tonne for metal for production because of a sharp rise in three months. The price closed at \$1,781, up \$34.60 from Friday's close.

The LME's price for three-month, Grade A copper closed \$14 down at \$2,529.50 a tonne after news that stocks had risen by 5,275 tonnes to 73,150 tonnes.

Mr Robin Bhar, analyst for Rudolph Wolff, the London-based commodities broker, said that, in the circumstances, copper performed strongly.

Demand for the metal remained high - witness last week's comments from Asarco, the second-largest copper producer in the US, which predicted demand would outpace supply for the rest of 1989. Meanwhile, total stocks, including those in producers' hands and on the New York Commodity Exchange, were at critically low levels.

LME £/\$ rates

Table showing LME Warehouse Stocks for various metals like Aluminium, Copper, Nickel, Zinc, Tin with prices in £ and \$.

Philippines' glister rediscovered

Richard Gourlay reports on the groups battling to mine gold

ON THE thickly forested slopes of the southern Philippine island of Mindanao two groups of gold miners are rediscovering some old time glamour in an industry often robbed of its glister by large scale commercial mining techniques.

The first group - tens of thousands of unregulated small scale miners - gained international notoriety and sympathy in June when mudslides caused a catastrophic collapse in a honeycomb of hopelessly inadequate mine shafts. Probably hundreds of miners were buried alive, but the survivors play down the tragedy and are determined to continue their perilous lifestyle.

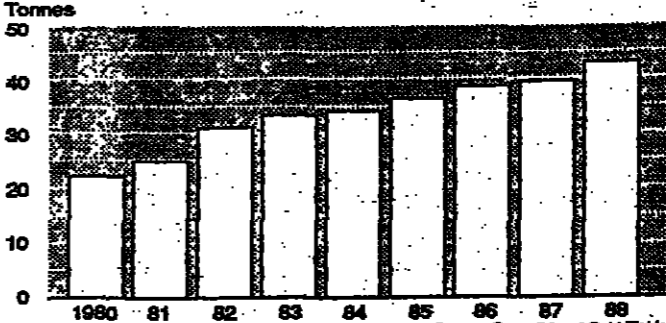
The second group is Bana-haw Mining Corp, a subsidiary of Australia's Muswellbrook Energy and Minerals, in which Australian businessman Mr Kerry Packer has an interest.

Bana-haw has started operating the first new gold mine to open in the Philippines in a decade but has had to transform the plant, which can process 500 tonnes of ore a day, into something resembling a military camp after a January attack by communist-led guerrillas left five employees dead.

In their different ways they have been attracted by the country's still largely untapped gold potential. Experts believe large deposits are held in epithermal deposits along the so-called "Rim of Fire" running in a crescent from Japan, through the Philippines and down through Papua New Guinea to New Zealand.

A number of Australian mining companies are closely watching Bana-haw's pioneering efforts in Mindanao and the support the Philippine Government is providing before deciding whether to risk tangling with insurgents and small scale miners themselves, mining executives in Manila say.

Philippines gold production



between 2-3 tonnes seen in the past three years is likely to continue this year, according to stockbrokers Shearson Lehman Hutton.

Benguet Mining, the New York and Manila quoted company and the Philippines' largest producer, owns a string of properties in northern Luzon and in May 1988 reactivated a pre-second world war operation at Paracale in the Visayas.

The 300-tonnes-a-day mine has, however, suffered from erratic yields this year according to Benguet executives and may not reach the 600t annual scheduled production.

In the first place the richest mineralisation appears to be in eastern Mindanao where geography makes companies like Bana-haw particularly vulnerable to the New People's Army guerrillas, bandits masquerading as guerrillas and renegade soldiers.

The NPA killed five employees at Bana-haw in January in the attack that partially burned the tailings plant, the refinery has been turned into something of a military camp, says Mr Robert Hessman, Bana-haw's chairman. It sports 360 armed guards sup-

porting the small-scale miners but their widespread use of mercury (in leaching gold from the ore) is harmful to their health and that of surrounding villages, the conditions in which they work are pre-Victorian and generally it is the financiers, who take no physical risks, who reap the largest benefits.

In spite of the Philippines' potential, analysts are not forecasting Brazilian-scale increases in production, where the formal and informal sectors both added about 8 per cent to their output last year.

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At the NPA killed five employees at Bana-haw in January in the attack that partially burned the tailings plant, the refinery has been turned into something of a military camp, says Mr Robert Hessman, Bana-haw's chairman. It sports 360 armed guards sup-

plied by the Philippine army, miles of perimeter fence and syntheses of jungle cut to clear lines of fire.

"We have chopper surveillance to identify NPA concentrations," he says. "Maybe 5,000 of them could take us out." The Department of National Defense support suggests that the army, at least, is aware that other less intruded mining companies - like Cultus Exploration and Western Mining of Malabon - which are already exploring but not producing are carefully watching Bana-haw's experience. And they appear to recognise how large company payroll could begin to stabilise the economy of a poor region large parts of which have fallen under guerrilla influence.

The Government in Manila has been less supportive and could be frightening off the necessary foreign investment by not offering a clearer line with small miners.

"The small miners are becoming a serious problem," says Mr Hessman. "Once they broke into our tunnel, held our miners at gunpoint and stole the ore." Some of the problems arise from continuing claims on properties which the courts have rarely managed to settle. But the bottom line is that policing inaccessible places is almost impossible.

Driven by huge profits the small miners ignore government closure orders, the fines of official claim holders and encourage unregulated mining, placing more commercial operators in the position in which Apex finds itself in Davao where it is reduced to doing little more than process the small miners' tailings.

Worst of all for large companies, the Philippine Senate is considering a small miners bill which could reduce the rights of official claim holders and encourage unregulated mining, placing more commercial operators in the position in which Apex finds itself in Davao where it is reduced to doing little more than process the small miners' tailings.

Mexico places coffee 'quota'

By Richard Johns in Mexico City

THE MEXICAN Institute of Coffee (Inecafe) has succeeded in selling or contracting "almost" 2m bags (60 kg each) of coffee in the three-week period following the abandonment of the International Coffee Organisation's export quota system.

Mr Juan Salazar Toland, its director-general, said in an interview here late last week.

The volume is nearly equivalent to its annual 2.2m bags quota (4.4 per cent of the global total) under the agreement which finally collapsed on July 3.

He said that Mexico would profit by selling to the highest bidder.

Mexico's coffee crop is almost all of the arabica variety favoured in the US, the largest consumer in the world.

A key reason for the failure to renew the International Coffee Organisation's quota system lay in the adamant determination of the US that the proportion of total quotas accounted for by arabica should be raised to 48 per cent.

Mr Salazar admitted that lower prices could cause the Government problems by putting a squeeze on smaller under-capitalised producers.

According to recently published statistics, 87 per cent of growers produce only 38 per cent of the crop while another 2 per cent account for a further 38 per cent.

Mr Julio Londono, the Colombian Foreign Minister, said State Department officials had expressed willingness to study the future of the coffee agreement when he met them last week in Washington, where he was attending a meeting of the Organisation of American States, reports Reuter from Cartagena.

On July 20, Colombia's President Virgilio Barco blamed what he termed US intransigence for the end of the pact's quota system.

WORLD COMMODITIES PRICES

LONDON MARKETS

THE INEXORABLE slide in coffee futures prices continued on the London futures market yesterday, pushing nearby values to fresh 8-year lows. In the face of continued fierce producer competition for market share in the wake of the collapse of the International Coffee Organisation's export quota system, the September position on the London futures market fell to \$752 a tonne at one stage before ending the day \$5 down on balance at \$756 a tonne. "There is just too much unsold coffee weighing on the market," commented one dealer. Cocoa prices also continued to drift lower in a very thin market. The September quotation closed at \$245 a tonne, up from \$242 earlier but down \$4 from Friday's close. On the London Metal Exchange nickel prices reached 7-week highs following the announcement of a fall in exchange warehouse stocks last week.

Table of LONDON METAL EXCHANGE prices for various metals like Aluminium, Copper, Nickel, Zinc, Tin.

POTATOES & SUGAR

Table of POTATOES & SUGAR prices for various grades and types.

LONDON BULLION MARKET

Table of LONDON BULLION MARKET prices for Gold, Silver, Platinum, Palladium.

US MARKETS

IN THE METALS, gold prices rebounded slightly as scattered short-covering and a weaker US dollar lifted the market, reports Drew Burnham Lambert. Silver trading was mixed with fund activity lifting prices near the close. Copper gained from trade buying. Platinum was also higher following gold's firm tone. In the softs, coffee futures had the day's most active session as prices fell over 300 points before September. Sugar closed lower after sideways action. Cocoa trading was slow. The grains markets were all lower led by heavy commercial selling in the soy complex. Spill-over selling pushed the corn and wheat lower. Cotton prices were up on light trade and commission house activity. The livestock featured liquidation in the August pork bellies ahead of first delivery day on Tuesday. Live hogs and cattle futures were uneventful. The energy complex posted strong gains as technical buying along with reports that offshore platforms in the Gulf of Mexico were shutting down ahead of an expected hurricane, rallied the markets.

NEW YORK

Table of NEW YORK market prices for various commodities.

CHICAGO

Table of CHICAGO market prices for various commodities.

SPOT MARKETS

Table of SPOT MARKETS prices for various commodities like Crude oil, Dubs, Palm Oil, etc.

COCOA & SUGAR

Table of COCOA & SUGAR prices for various grades and types.

POTATOES & SUGAR

Table of POTATOES & SUGAR prices for various grades and types.

LONDON BULLION MARKET

Table of LONDON BULLION MARKET prices for Gold, Silver, Platinum, Palladium.

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Table of NEW YORK market prices for various commodities.

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Table of SPOT MARKETS prices for various commodities like Crude oil, Dubs, Palm Oil, etc.

LONDON STOCK EXCHANGE

Equity sector changes into reverse

PROFIT-TAKERS finally gained the upper hand in late trading on the London stock market yesterday and the FT-SE 250 mark, regained only on Friday, was abandoned in the final moments of an erratic trading session. UK stocks were unsettled when Wall Street opened uncertainly, despite cuts in prime rates by leading US money centre banks, and London's blue chips were additionally undermined by determined selling of the FT-SE futures contract.

was due for another strong rise this week. The early gain of nearly 14 points took the Footsie to just under 2,320, regarded as a significant resistance point. The market then faltered and gave back more than half its rise before trying to move higher again. The second advance soon lost impetus as Wall Street's opening was overshadowed by reports of the execution of a US marine hostage in the Middle East.

the trade figures front and doubts that base rates will go higher again. There was disappointment that yesterday's cuts in US prime rates, led by Citicorp, had not found a more positive response on Wall Street. Some analysts at top London securities houses suggested that Wall Street could gain a further 100 points in the near term as the apparent easing in Federal Reserve credit policies brought moves to lower lending rates at the US banks.

FINANCIAL TIMES STOCK INDICES. Table with columns for Government Secs, Fixed Interest, Ordinary Share, FT-SE 100 Share, Ord. Div. Yield, SEAC Bargains, Equity Turnover, Shares Traded, and S.E. ACTIVITY. Includes data for July 31, July 28, July 27, July 26, July 25, Year Ago, High, Low, and Since Completion.

Footsie newcomer in demand

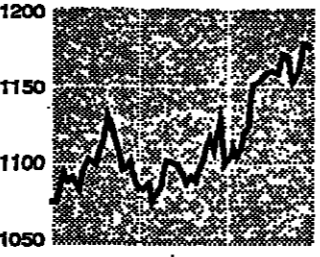
Trading in newly-formed SmithKline Beecham took off on the opening day of its first trading on the London stock market. The FT-SE 100 index, the stock was one of the day's strongest performers as UK institutions flocked to top up their holdings.

to £1600m for next year. "This is just fine-tuning the figures," said Mr Ingles, "my fundamental view of the company remains unchanged."

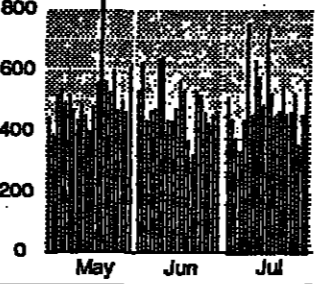
Cadbury active

Cadbury Schweppes performed something of a roller coaster act, climbing strongly in early trading to a high of 460p before succumbing to afternoon selling to end down 2 at 449p on turnover of 3.2m shares.

FT-A All-Share Index



Equity Shares Traded



Standard Chartered, upset last week after a negative note by Nomura Research made progress to close 10 ahead at 540p, after touching 548p early in the session. Bank of Ireland edged up 2p to 248p after announcing the sale of \$40m worth of Mexican sovereign debt, thereby reducing its exposure to Mexico to 94m; the bank said it has no other exposure to Latin America.

increase in authorised share capital and an issue of new ordinary shares by way of capitalising part of bank's reserves. "This move by the Royal Bank finally removes any lingering worries that the bank may have to come to the equity market for finance to strengthen its capital base - in short, there is now no chance of a rights issue," said Mr Chris Wheeler at Shearson Lehman Hutton. Royal Bank shares jumped 17 to 427p on turnover of 1.1m.

Group, and a possible cash call, left the stock 4 off at 15p. The day's two new issues made successful debuts. Cartoon animation company Sleepy Kids, placed at 20p, opened smartly at 23p, rose to a high of 28p and closed at 36p. Dealers reported "massive" demand for the shares from small investors, while institutions remained on the sidelines unable to pick up large enough tranches of stock. The second newcomer, video rental and sales company Video Magic, ended at 86p, offering investors an excellent 20p premium.

The property sector put in a resilient performance with most stocks closing slightly better against the market. Great Portland ended a touch firmer at 333p following a 1-for-5 scrip issue. Greycoat added 6 at 540p, after 544p, on vague bid speculation, and Hammerson 'A' rose 4 to 788p.

TRADING VOLUME IN MAJOR STOCKS

Table showing trading volume for major stocks. Columns include Stock, Volume, Price, and Day's change. Lists include Lloyds Bank, British Telecom, and various industrial and financial stocks.

pressure with dealers talking of adverse comment in a US publication. Racal Telecom were particularly unsettled and dipped 23 to 379p albeit on turnover of only 647,000 shares, ahead of today's annual meeting scheduled for 11.45 am at the Institute of Electrical Engineers in London. Racal Electronic lost 12 to 438p on turnover of 1.2m.

New ICI doubts

ICI stock was weak against the early trend of the market as analysts reconsidered recent forecasts in the light of last week's interim figures. Many analysts have been bearish for some time on the outlook for bulk chemicals, a sector subject to notoriously cyclical price changes.

NEW HIGHS AND LOWS FOR 1989

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AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trust, Abbey Growth, Abbey Income, etc., with columns for name, price, and other details.

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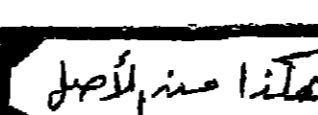
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GUIDE TO UNIT TRUST PRICING. This section provides detailed instructions on how to interpret the unit trust prices listed in the tables, including information on bid and offer prices, and how to calculate the net asset value.



Johnnie Lita

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Main table containing unit trust information with columns for Name, Price, Yield, and other financial metrics. Includes sub-sections for 'OTHER UK UNIT TRUSTS' and 'INSURANCES'.

Continued on next page

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Main table containing unit trust information, organized into columns for different regions: Scotland, Jersey, Guernsey, Luxembourg, and Switzerland. Each entry includes the name of the trust, its manager, and various performance metrics.

OFFSHORE AND OVERSEAS

GUERNSEY (GD RECOGNISED)

MANAGEMENT SERVICES

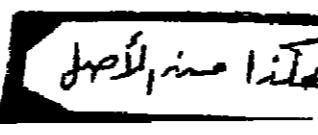
LUXEMBOURG (GD RECOGNISED)

JERSEY (**)

SWITZERLAND (GD RECOGNISED)

GUERNSEY (**)

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LONDON SHARE SERVICE

Table of FT Unit Trust Information Service, listing various unit trusts with columns for Name, Price, Yield, and other financial metrics.

Table of London Share Service, listing various shares and funds with columns for Name, Price, Yield, and other financial metrics.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth & African Loans, listing loan details and interest rates.

FOREIGN BONDS & RAILS

Table of Foreign Bonds & Rails, listing bond and rail investments.

AMERICANS

Table of Americans, listing American stock investments.

MONEY MARKET BANK ACCOUNTS

Table of Money Market Bank Accounts, listing various bank account options and interest rates.

BRITISH FUNDS

Table of British Funds, listing various British investment funds.

BRITISH FUNDS - Contd

Table of British Funds - Continued, listing more British investment funds.

Over Fifteen Years

Table of Over Fifteen Years, listing long-term investment options.

Five to Fifteen Years

Table of Five to Fifteen Years, listing medium-term investment options.

Index-Linked

Table of Index-Linked, listing index-linked investment options.

INT. BANK AND O'SEAS

Table of Int. Bank and O'seas, listing international bank and overseas investments.

CORPORATION LOANS

Table of Corporation Loans, listing corporate loan investments.

OTHER OFFSHORE FUNDS

Table of Other Offshore Funds, listing various offshore investment funds.

OFFSHORE INSURANCES

Table of Offshore Insurances, listing offshore insurance products.

UNIT TRUST NOTES

UNIT TRUST NOTES: Detailed information and disclaimers regarding the unit trust services.

Money Market

Table of Money Market, listing money market instruments.

Trust Funds

Table of Trust Funds, listing various trust fund options.

Money Market

Table of Money Market, listing more money market instruments.

Trust Funds

Table of Trust Funds, listing more trust fund options.

LONDON SHARE SERVICE

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-625-2128

AMERICANS - Contd

Table listing American companies such as Ford Motor, General Electric, and IBM, with columns for stock price, bid, offer, and volume.

BUILDING, TIMBER, ROADS - Contd

Table listing companies in the building, timber, and roads sectors, including various construction and materials firms.

DRAPERY AND STORES - Contd

Table listing companies in the drapery and stores sector, including retail and manufacturing firms.

ENGINEERING - Contd

Table listing companies in the engineering sector, including various industrial and mechanical firms.

INDUSTRIALS (Miscel.) - Contd

Table listing miscellaneous industrial companies, including a wide range of manufacturing and service firms.

INDUSTRIALS (Miscel.) - Contd

Table listing miscellaneous industrial companies, continuing the list from the previous section.

CANADIANS

Table listing Canadian companies such as Alcan, Inco, and Northern Telecom, with columns for stock price, bid, offer, and volume.

ELECTRICALS

Table listing companies in the electrical sector, including various electrical engineering and equipment firms.

FOOD, GROCERIES, ETC

Table listing companies in the food, groceries, and other consumer goods sectors.

INDUSTRIALS (Miscel.)

Table listing miscellaneous industrial companies, including various manufacturing and service firms.

INDUSTRIALS (Miscel.)

Table listing miscellaneous industrial companies, continuing the list from the previous section.

INDUSTRIALS (Miscel.)

Table listing miscellaneous industrial companies, continuing the list from the previous section.

BANKS, HP & LEASING

Table listing companies in the banking, hire purchase, and leasing sectors, including various financial institutions.

CHEMICALS, PLASTICS

Table listing companies in the chemicals and plastics sectors, including various chemical manufacturers.

DRAPERY AND STORES

Table listing companies in the drapery and stores sector, including retail and manufacturing firms.

ENGINEERING

Table listing companies in the engineering sector, including various industrial and mechanical firms.

INDUSTRIALS (Miscel.)

Table listing miscellaneous industrial companies, including various manufacturing and service firms.

INDUSTRIALS (Miscel.)

Table listing miscellaneous industrial companies, continuing the list from the previous section.

BEERS, WINES & SPIRITS

Table listing companies in the beer, wine, and spirits sectors, including various beverage manufacturers.

DRAPERY AND STORES

Table listing companies in the drapery and stores sector, including retail and manufacturing firms.

ENGINEERING

Table listing companies in the engineering sector, including various industrial and mechanical firms.

HOTELS AND CATERERS

Table listing companies in the hotels and catering sectors, including various hospitality firms.

INDUSTRIALS (Miscel.)

Table listing miscellaneous industrial companies, including various manufacturing and service firms.

INSURANCES

Table listing companies in the insurance sector, including various insurance providers.

BUILDING, TIMBER, ROADS

Table listing companies in the building, timber, and roads sectors, including various construction and materials firms.

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Table listing miscellaneous industrial companies, including various manufacturing and service firms.

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Handwritten signature: J. P. Lito

LONDON SHARE SERVICE

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INSURANCES - Contd

Table of insurance companies including Avon, British, and others with columns for stock price, bid, offer, and volume.

PAPER, PRINTING, ADVERTISING - Contd

Table of paper, printing, and advertising companies including Newsprint, Printers, and Advertisers.

TEXTILES

Table of textile companies including Huddersfield, Millers, and others.

TRUSTS, FINANCE, LAND - Contd

Table of trusts, finance, and land companies including various investment trusts and financial institutions.

OIL AND GAS - Contd

Table of oil and gas companies including BP, Shell, and others.

MINES - Contd

Table of mining companies including Anglo American, De Beers, and others.

LEISURE

Table of leisure companies including British Skyways, British Airways, and others.

PROPERTY

Table of property companies including British Land, Granada, and others.

TOBACCO

Table of tobacco companies including British American Tobacco, JTI, and others.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land companies including various investment trusts.

OVERSEAS TRADERS

Table of overseas trading companies including various international firms.

MISCELLANEOUS

Table of miscellaneous companies including various small and medium-sized firms.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade companies including various automotive and aviation firms.

COMMERCIAL VEHICLES

Table of commercial vehicle companies including various truck and bus manufacturers.

INVESTMENT TRUSTS

Table of investment trusts including various asset management funds.

FINANCE, LAND, ETC

Table of finance, land, and other companies including various financial and real estate firms.

PLANTATIONS

Table of plantation companies including various agricultural and forestry firms.

THIRD MARKET

Table of third market companies including various international and emerging market firms.

COMMERCIAL VEHICLES

Table of commercial vehicle companies including various truck and bus manufacturers.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publishing companies including various media firms.

SHIPPING

Table of shipping companies including various maritime and logistics firms.

OIL AND GAS

Table of oil and gas companies including various energy firms.

FINANCE

Table of finance companies including various banking and financial institutions.

REGIONAL & IRISH STOCKS

Table of regional and Irish stocks including various local and national firms.

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CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Lower rates weaken dollar

SENTIMENT SURROUNDING the dollar remained weak yesterday on speculation that US interest rates will continue to move down as the US economy slows and a recession threat...

cent to 10 1/2 per cent, and speculation increased that the Federal Reserve is easing its monetary stance. Earlier suggestions that Fed had a target for Federal funds rate below 9 per cent were not supported by yesterday's action...

generally forecast to be below the June rise of 180,000. Lack of enthusiasm for the dollar encouraged an increase in cross rate trading, and a slight weakening of the D-Mark against the Japanese yen.

FINANCIAL FUTURES

Short sterling looks expensive

SHORT STERLING futures weakened on Life yesterday as the equivalent cash rate moved slightly firmer on the London money market and traders began to suspect the price of September short sterling is looking increasingly expensive.

today's cash rate of 13 1/2 per cent, giving an equivalent futures price of 86.12. This suggests that yesterday's price was showing a substantial amount of optimism about a reduction in base rates over the next six weeks.

that the authorities were deliberately keeping the market tight to deter speculation about lower interest rates. The reason for the Bank of England's method of operation was in fact, probably technical.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns for Country, Unit, and Rate. Includes Germany, France, Italy, etc.

POUND SPOT - FORWARD AGAINST THE POUND

Table with columns for Term, Rate, and % change. Includes 1 month, 3 months, 6 months, 12 months.

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Table with columns for Country, Unit, and Rate. Includes UK, Ireland, Netherlands, etc.

STERLING INDEX

Table with columns for Index, % change, and Previous Close. Includes 8.30 am, 10.00 am, 12.00 pm, etc.

CURRENCY RATES

Table with columns for Currency, Rate, and % change. Includes Sterling, US Dollar, Canadian Dollar, etc.

EURO-CURRENCY INTEREST RATES

Table with columns for Term, Rate, and % change. Includes 3 months, 6 months, 12 months.

OTHER CURRENCIES

Table with columns for Country, Rate, and % change. Includes Argentina, Australia, Brazil, etc.

EXCHANGE CROSS RATES

Table with columns for Currency, Rate, and % change. Includes DM, Yen, Ffr, Lira, etc.

CHICAGO

Table with columns for Contract, Price, and % change. Includes US Treasury Bills, US Treasury Bonds, etc.

JAPANESE YEN

Table with columns for Contract, Price, and % change. Includes 3 months, 6 months, 12 months.

BASE LENDING RATES

Table with columns for Bank, Rate, and % change. Includes ADM Bank, Citicorp, etc.

EUROPEAN OPTIONS EXCHANGE

Table with columns for Series, Vol, Last, and % change. Includes Gold, Silver, etc.

MONETARY RATES

Table with columns for Term, Rate, and % change. Includes New York, London, etc.

FT LONDON INTERBANK FIXING

Table with columns for Term, Rate, and % change. Includes 3 months, 6 months, 12 months.

LONDON MONEY RATES

Table with columns for Term, Rate, and % change. Includes 1 month, 3 months, 6 months, 12 months.

MONEY MARKETS

Short credit supply

SHORT-TERM rates nudged slightly higher on the London money market yesterday in a technical move in response to a large day-to-day change in the market. The longer end of the market was little changed, steepening the reversed yield curve and suggesting that the top of the present interest rate cycle may have been reached.

hands, repayment of late assistance and a take-up of Treasury market yesterday in a technical move in response to a large day-to-day change in the market. The longer end of the market was little changed, steepening the reversed yield curve and suggesting that the top of the present interest rate cycle may have been reached.

A firm pound and lower US interest rates supported sentiment, but three-month interbank moved slightly higher to 13 1/2 per cent from 13 1/8 per cent.

INTERNATIONAL FUND MANAGEMENT

The Financial Times proposes to publish this survey on: 23 OCTOBER 1989. For a full editorial synopsis and advertisement details, please contact: RICHARD BECCLE on 01-873 4181 or write to him at: Number One Southwark Bridge London SE1 9HL

PLANT & MACHINERY. CLEARANCE FORKLIFTS over 100 load up. ELEC - GAS - DIESEL - SIDELOADERS - REACH TRUCKS.

BUSINESS WANTED. Recruitment Advertising. National Distributor of Security Products.

PLC. Diversifying seeks acquisition turnover £250,000 to £2.5M. Profitable or non-profitable.

CLUBS. ARE YOU OVERSEAS? Are you looking for a holiday home or a second home?

CROSSWORD. No. 7,000 Set by CINEPHILE. Includes a crossword puzzle grid.

JOTTER PAD. A collection of notes and puzzles, including a crossword puzzle.

Just in time

3pm prices July 31

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Stock	High	Low	Open	Close	Change	Volume	Open	Close	Change	Volume
12 Month										
13 Month										
14 Month										
15 Month										
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100 Month										

Continued on Page 35

Johnnie Lito

NYSE COMPOSITE PRICES

Table of NYSE Composite Prices listing various stocks with columns for 12 Month High, Low, Stock, Div. Yld., % Chg., 100 High, Low, Close, and Open.

AMEX COMPOSITE PRICES

Table of AMEX Composite Prices listing various stocks with columns for 12 Month High, Low, Stock, Div. Yld., % Chg., 100 High, Low, Close, and Open.

OVER-THE-COUNTER

Nasdaq National Market, 3pm prices July 31

Table of Over-the-Counter prices listing various stocks with columns for 12 Month High, Low, Stock, Div. Yld., % Chg., 100 High, Low, Close, and Open.

Notes explaining the data in the tables, including definitions for '12 Month High', 'Low', 'Close', and 'Open'.

Advertisement for 'It's attention to detail' featuring the Marriott logo and text about financial services.

AMERICA

Equities advance further after cuts in prime rates

Wall Street

A WIDELY expected cut in US prime lending rates from 11 per cent to 10.5 per cent helped the equity market advance from Friday's high...

close of Y199.20 and DM1.8315. Both equity and debt markets are now waiting for the release on Friday of July's unemployment data...

\$110W. The issue, which had jumped 23 1/2% on Friday, was one of the most active. Bristol Myers was unchanged from Friday's close at \$48 1/4.

In mid-session trading, the Treasury's bellwether 30-year bond was up 3/8% at \$110 1/4, to yield 7.94 per cent. Before last Friday, yield on the long bond had not dropped below 8 per cent since April 1987.

Erbamont, an ethical pharmaceutical company, leapt 5% to \$36 1/4 and Himont, a manufacturer and distributor of polypropylene products, rose 5 3/4% to \$47 1/4.

STOCKS were higher at midday in Toronto but encountered market resistance as the composite index approached the psychological 4,000 mark.

ASIA PACIFIC

Yen and interest rates push Nikkei to new high

Tokyo

FALLING interest rates coupled with a rising yen supported strong gains in share prices that pushed the Nikkei average to new high yesterday.

leader and 31 shares reached new highs. Interest continued in housing issues, which have attracted attention on expectations that the strong gains made by the Japan Socialist Party will spur the Government into supporting better housing.

Fung Textiles, which sold a block at a 15 per cent discount on Friday, sold another at a 12 per cent discount yesterday.

Roundup

PROPERTY trading and the influence of options markets were the main features in Asia Pacific markets yesterday, mostly to the benefit of share prices.

Foreign shares are those which can be held and registered by foreigners. OCBG foreign closed on a \$81 premium (after \$81.30 earlier) at \$81.30, while UOB foreign finished at \$86.65 against \$85.80 for 'local' shares.

SOUTH AFRICA GOLD shares rallied in Johannesburg in late trading. The industrial index closed at 2,688, industrial down on Friday's record high.

Slowdown in US sets off spate of records

By Alison Maitland

MARKETS IN PERSPECTIVE

Table with columns: % change in local currency, 1 Week, 4 Weeks, 1 Year, Start of 1989, % change in starting of 1989. Lists markets like Austria, Belgium, Denmark, Finland, France, West Germany, Ireland, Italy, Netherlands, Norway, Spain, Sweden, Switzerland, EUROPE, Australia, Hong Kong, Japan, Malaysia, New Zealand, Singapore, Canada, USA, Mexico, South Africa, and WORLD INDEX.

A STRONG week for equity markets triggered a spate of records around the world last week as investors took comfort from slower economic growth in the US and signs that inflationary pressures are easing.

land up by the same amount. Poor second quarter figures from Norsk Hydro, which makes up 40 per cent of the FT-A Norway Index, triggered Oslo's retreat - the only fall among the 24 countries covered.

and Hoffmann-La Roche. The good corporate results justify Switzerland's recently gained position as the best performing market in the D-Mark bloc this year, say brokers.

EUROPE

Holidays take their toll of trading volume

THE summer holidays seemed to have arrived in European bourses yesterday, with trading volumes subdued and movements restricted.

FFr1.5bn, compared with Friday's FFr2.7bn, but yesterday's figure may have been higher than that because of the expiry of options.

Chemicals were in the spotlight again, with investors pushing Akzo up FFr1.10 to FFr1.44, on expectations of a 10 to 15 per cent rise in second quarter earnings on Thursday.

Construction stock Asland jumped 57 percentage points, or 5.7 per cent, to 1,050, in reaction to a sustained fall from its year high of 2,035 triggered by the end of takeover speculation in early June.

MILAN recovered after a weak start, and the Comit index ended 0.48 higher at 690.50 in moderate volume estimated at 1,955bn.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

Table with columns: NATIONAL AND REGIONAL MARKETS, FRIDAY JULY 28 1989, THURSDAY JULY 27 1989, DOLLAR INDEX. Lists various regional indices and their values.

Financial Times Guides to... A collection of book covers and descriptions for guides on investment trusts, unit trusts, alternative investments, and financial statistics.

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